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# When All Are Capitalists

A DREAM  
of  
RECONSTRUCTION

by A. J. HUNTER





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## INTRODUCTORY

For many years the writer has been interested in socialistic theories. The confusion and waste of competitive business, especially the waste of human powers and possibilities, have led many people to try to form pictures of a better organized society.

The making of Utopias goes back to Plato and the Hebrew prophets, but the complexity of modern life with its rapid changes makes forecasting and planning exceedingly difficult. Among "Scientific" socialists it is the fashion to discourage planning. According to them everything is to happen by evolution. All we have to do is to watch progress, and be ready to seize the favorable opportunity for turning society upside down. In Russia we have seen such people seize the opportunity, but we dislike their methods, and are distrustful of the ultimate results. Yet we must remember, that society is a man made product that has grown up in a very half-hazard fashion. Its faults are due to the lack of any general understanding of social factors, and to the blind conflict of private interests. Society has been made by man, it must be mended by man.

If we are to change the social structure intelligently, we must have some reasonably clear notion of what we want to make of it. Otherwise we shall continue to be the sport of blind economic forces.

Orthodox economists often seem to think that they have no other function, than to watch things happen, and then try to explain them. But what if our social order is rushing towards a precipice? Then the explanations may be only of the nature of a *post mortem*.

If the learned are afraid to risk their reputations by

making forecasts and blue-prints, some of us who have no economic reputation to lose, may be willing to rush into the breach with our suggestions. Our argument in favor of Utopias is, that it is better to have all possibilities canvassed ahead of time then to run the risk of being forced to grasp hastily at the first straw, that offers in a time of crisis.

My private hobby of trying to construct Utopias dates back for forty-five years. Some of these Utopias I have elaborated and read to certain long suffering friends of mine, and then have placed them on the shelf, rather than have them exposed to the gaze of an unsympathetic world. But the present time of doubt and uncertainty leads me to bring out of hiding a few fragments of one I wrote many years ago.

It attempted to combine ideas from Plato, Bellamy, Hertzka, Kropotkin and in domestic economy from Mrs. Gilman—along with some pet notions of my own. To fully explain the reasons for the different elements of the scheme would take too much space. In brief it was an attempt to plan a style of socialism with a considerable amount of freedom of enterprise, and with safeguards against excessive power in the hands of a centralized bureaucracy.

A. J. Hunter

Teulon, Man.

Sept. 1932

## WHEN ALL ARE CAPITALISTS (A Dream of Reconstruction)

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The plan of the story began with a young engaged couple—a young mechanic and a teacher—feeling rather worried during a period of industrial depression. The pair were attracted to a gathering of Christian Socialists where they made some friends, and were led to go exploring among the various groups of radical theorists. Finally the young lad suggested that they and a few of their new found friends should organize a Utopia Club, and that each member should contribute a share in the picturing of the new society.

### CHARACTERS IN THE STORY.

Ethel Black — School Teacher

John Williams — Mechanic

Mr. Edmunds -- Clergyman

Mrs. Edmunds

Dr. Steinberg — Physician

Mr. Jones — Labor Leader

Prof. Jansen -- Biologist

Mr. Ilverson — The Sympathetic Capitalist.

The young lady school teacher leads off by an account of the educational system, picturing first a typical family in its way of life, and then the children of the family at school:—

## Chapter 1.

### THE BEGINNING OF THE VISION.

On the evening appointed for the reading of Ethel's story a couple of dozen people gathered in the place arranged for. There were several of John's fellow workers and their wives, Mr. and Mrs. Edmunds, and the Doctor, and, rather to Ethel's alarm, the Doctor had brought in old Mr. Ilverson and Professor Jansen. When she shook hands with these gentlemen she told them that she was frightened to read her simple story before such learned critics, but the old capitalist reassured her.

"My dear young lady," he said, "don't think that I despise the enthusiasm of young people, but the hard knocks of life have sobered me a good deal and I think it is better for people to have their notions corrected in time by careful criticism than to have their hearts broken afterwards by the failure of experiments in which they have risked their all. I criticised Bellamy's dream pretty severely the other night, but I love him for his noble ideals in spite of that. If you can throw a single ray of light on the future by your story we will all be grateful to you, and it is a pleasure <sup>to</sup> me to see you even wishing to do something; so I ~~b~~<sup>w</sup> that you will not turn me away from hearing what you have to say."

"Surely I will not turn you away after speaking so nicely, and when I am done you may criticize as much as you like. And now I will tell you that I love the country and I hate this dull grimy city but I know that the life of most of the women on the farm is a round of drudgery and that the people come to the cities because there is

more life there. So I want to plan a beautiful country city with the fresh wholesome air of the country, that the children may grow strong and healthy and with all the life and power and intelligence of the city, so that minds may grow and be satisfied as well as bodies."

"Have you a name for your city?" asked the professor.

"Yes. I once saw a picture of a statue of an old Egyptian princess who lived six thousand years ago. I liked her face and I liked her name, so I have called my city after her — Nofrit."

"What do we want with kings and princesses in the new time?" asked one of the socialists present.

"Because the maidens of the new time will all be princesses," retorted the lady.

"Well done!" said they all. And without further delay Ethel proceeded to read her story.

### THE STORY OF NOFRIT.

It was a summer evening in the City of Nofrit as a boy and girl walked slowly homeward. Noble trees were everywhere around them, and through the branches they could catch glimpses in every direction of lovely homes and magnificent public buildings. Here and ~~there~~ in open spaces fountains played. Every little while they passed enclosures in which were rare and beautiful animals and birds of larger size. Smaller feathered songsters of every species sported among the branches of the trees, all, as the children knew, carefully watched and tended by the city's naturalists. Other children in hundreds passed them in this great residential park of the city, in which no busy traffic was

allowed and from which all nerve-racking noises were shut out.

The children's names were Karl and Theresa. All day they had worked and studied under the care of professional instructors. Their father was one of the city engineers, while their mother belonged to the medical service of the local district, and all were happy at the thought of a day's work well and profitably done and of an evening's enjoyment before them. As they approached their home a motor wagon rushed by it, leaving a large basket in a covered alcove of the house as it passed.

"Our dinner has got home ahead of us," shouted Karl, breaking into a run. His sister hurried after him, but, catching sight of her mother and the baby coming from another direction, she stopped and ran to meet them instead. After embracing her mother, Theresa turned her attention to the baby.

"I have been so busy," the mother said, "I only had a chance to see her twice the whole day, but the nurses were so good to her that the little scamp didn't seem very anxious to come with me. I felt quite provoked. You see she has twenty or thirty other babies to play with, and the little rogues are getting to understand one another pretty well."

Karl in the meantime had found his father, and then they all had a busy time unpacking the dinner crate and spreading the articles on the table. Of course the contents were not altogether a surprise, for they had sent in their order to the public kitchen in the morning, but the officers of that institution had a custom of always sending some new kind of eatable not in the order for the people to try. Consequently there was always a little element of novelty

to look forward to.

In this age of the world personal services, like waiting at table, are not much approved of by moralists, so the members of the family waited on one another and the meal proceeded all the more merrily on that account. At its close the father, whose name was Mr. Alford, proposed a ride in the country. This was joyfully agreed to by all. The dishes were hurriedly thrust back into the crate, which was returned to its place in the alcove for the messenger to take back to the public kitchen. A short walk brought the party to a building where many motor carriages were stored, and they were soon making their way along one of the roads which led among the city's farms.

The majority of the people of Nofrit preferred for convenience, to live in the city itself, but at every farm-steading there were hotels and cottages for those who preferred to be a little farther away from the crowd. Altogether the city controlled between one and two hundred square miles of land, most of it given over to farms, gardens and forests.

The road first passed through the city gardens, a large area of land under glass where all kinds of fruits and vegetables could be grown all the year round, and where a considerable number of the city's workers found pleasant and profitable occupation. After this they were out among the fields, the most of which were, for the sake of economy of labor and fencing, made of one or two square miles in extent. Here would be a great pasture field in which hundreds of dairy cattle could be seen grazing. There was a square mile of waving wheat. A piece of rough hilly land was busy growing a promising young forest of timber trees. Every two or three miles would be seen a large

group of farm buildings with surrounding cottages and occasionally a sanatorium or hotel, all enclosed in a wooded park area.

Towards one of these farmsteadings the party made their way. Arrived at the place, they left their car in a large room provided for the use of such conveyances, and proceeded to inspect the great stables and dairy buildings. There they contented themselves with admiring the grace and order of all the arrangements, for none but an expert could have ventured to criticise such a model of orderliness. The stables were of stone, well lighted and ventilated, the separators and engines of the dairy shone like precious metal. Everything was spotlessly clean.

Out into the sunlight they came again, and the children hurried them off to the enclosures where the calves and sheep were kept. After that they visited the horse stables and next a little park where a herd of deer were grazing. No narrow, uncultured farmers had to do with the management of this great institution, but trained and educated scientists who knew to combine both utility and beauty in all their plans.

For an hour the family amused themselves watching the young life of calves and colts and lambs, and never feeling themselves strangers or trespassers, for all these creatures were theirs, even though they had never seen them before. For all belonged to Nofrit, and they themselves were citizens of Nofrit."

The reader stopped and looked up from her manuscript, glancing a little timidly around as if she might read the opinions of the company in their eyes.

"Good," said the professor, "he must be hard to satisfy who would quarrel with that picture."

"I almost believe I could put up with life in that place myself," said Mr. Jones.

"Have you the next chapter ready?" asked the Doctor.

"I am going to give you just one more chapter myself, a chapter on the schools, and then the rest of you must finish the story."

## Chapter 2. THE SCHOOLS OF NOFRIT.

In the morning the Alford family rose early. Children and all were trained to spread their bed clothing to the air so that when the cleaners came on their daily rounds they would be able to finish their work without delay. All the arrangements of the house were designed, first of all, for healthfulness and saving of labor. There were no useless trinkets to gather dust, the furniture was strong and substantial. Light and fresh air were provided for in abundance.

The breakfast came from the public kitchen, as the dinner had the night before. The old barbarous custom of a thousand women toiling over a thousand cook stoves to prepare breakfast for as many families, had forever vanished. Half a mile away a few dozen skilled workers, with the latest appliances, prepared the meals for all the district and were paid in proportion to the value of their services.

After breakfast the baby had to be taken to the nursery of the fraternity to which the Alfords belonged. The whole family started early so as to be able to join in escorting the little one. In the centre of the local district stood the great group of fraternity buildings. There were chapels and halls of various sizes for public meetings! there were club houses and gymnasiums and the local library. There were the women's industrial clubs for dressmaking and millinery and artistic work of all kinds. There were the central offices of the fraternity, with the local branch of the great city store. There were the public kitchens and restaurants and, not least, the schools and kindergar-

tens and the fraternity nurseries and hospital.

The nurseries and kindergarten were close together, the former being in charge of trained nurses with a lady doctor as superintendent. Here were many bright airy rooms for children of different ages, some furnished with cradles and hammocks, and even with incubators for the youngest infants. There were other rooms with padded walls and clean sand on the floors in which, in rainy weather, the babies could play safely; and there were balconies and gardens outside so that when the weather was favorable the children might be in the open air all the time. Then of course provision was made that mothers might come to see their babies at any time during the day.

After Baby Alford had been given over to the hands of a kindly faced nurse, the rest of the family parted, the father to his work in the city, the mother to her daily task of watching over the health of the older girls in the district school. Karl and Theresa now hurried away in order to be in time for the opening lecture in the school they attended. Here they found two or three hundred children gathered in the large lecture room of the school, prepared to see a magnificently illustrated description of mountain scenery. They had all previously had practical studies in geography, and with pails of water imitating the formation of lakes and rivers and islands and peninsulas. Now they were to see as far as could be at home, nature's works revealed on the grand scale.

First a map was shown and the railway route pointed out from their own city to the great Rocky Mountain chain. The distances were explained by telling of the speed of the train and the hours taken on the journey. Then the room was darkened, and on the canvas appeared the foot-

hills country of the Rocky Mountains, with some great peaks dimly visible in the distance. Some of the towns and villages were shown on the road. Then on the canvas the mountain masses loomed up larger, a mighty pass was entered, the train shown crawling slowly along its side. Then came a succession of pine-clad slopes with their armies of trees climbing up into the sky, lofty crags of rocks and gloomy precipices, dashing mountain streams and gleaming glaciers. Parties of travellers were seen toiling painfully up the slopes.

A few words were said about the formation of the mountains and how these great masses had been heaved up from below. Specimens of ancient shells and corals from the rocks on the summit were shown, proving that once these had been beneath the sea. Some of the chief peaks were pointed out by name, so that the children might know them.

Years afterwards, when Karl and Theresa visited this same spot in the flesh, these monarchs of the mountains which they had first learned to know on the canvas of the lecture-room, seemed to them like old friends.

In the schools of Nofrit there was no memorizing of meaningless names nor of strings of historical dates. Everything was made real. When they studied of Rome, they were shown its buildings and its hills, its people and their styles of dress. When they studied Roman history they were shown the dresses and armor, and homes, of ancient times. The heroes of the golden age were real men and women to them. So too they learned of Paris and London, of Athens, and Babylon, and Calcutta. So they learned of the animals and the plants of foreign lands, learned of the books which described them in the library, of the living

birds kept in the city parks, and of other neighboring cities with similar treasures of their own.

After the lecture was over, the children broke up into little groups of ten or twelve each in charge of an instructor. Some went to the work-shops where they were taught to do wonderful things with wood and iron and brass. There the principles begun in the kindergarten were carried forward. This was no theoretical education, divorced from life. Eye and brain and hand were trained together. So the children took their turns on different days in the kitchens of the school, in the gardens, and in the work-shops and laboratories.

The ruling conception was that the past history of the race should be repeated in the life of each individual child. They grew the plants in the garden which afterwards they would cook themselves for the mid-day school repast. They built rude shelters for themselves out-of-doors, and then teachers would tell them of the cave-dwellers of past ages, of the Indian wigwams, of the snow huts of the Eskimo, and all these they would try to imitate as opportunity offered. Again, they were taught about primitive methods of spinning flax and wool and weaving cloth, and all these they practised. Thus through the early years of childhood the early history of mankind unrolled itself as a mighty panorama ever leading upwards by easy steps to the richness and complexity of modern life.

Every day they spent a couple of hours thus in the workshops or gardens, or in the kitchens or laboratories. Every day they all assembled together for an hour for one of these wonderful illustrated lectures; then in small classes they spent a couple of hours in practising reading and writing, and studying out problems in arithmetic and science

too difficult to solve in the work-shops. An hour for literature and music closed the day."

\* \* \*

It was not till several evenings later that the party met again in the little club room of the church. According to Ethel's wish the story was to be continued by different members of the party in turn, and to Mr. and Mrs. Edmunds had been assigned their favorite subject of the church and the fraternity.

When the company were assembled, Ethel complained that no one had criticized her part of the story. "I wish," said she, "that you would say what you think. For all I know, you may be laughing at me in your sleeve."

"Ah! The picture was too pretty to criticize," said the Doctor.

"Now I know that you are laughing at me," said Ethel. "Come, Mr. Ilverson, will you be honest with me, and say what you think?"

"Why," said Mr. Ilverson, "I just wished I could be a child again in your Utopia, but, if you want my criticism, it is to ask the question—where did they get the money to do all this?"

"Oh, but," said Ethel, "you are the representative among us of the capitalists and captains of industry. We expect you to solve that question."

"Just what I expected," said the old gentleman, making a face. "Well, suppose the rest of you go ahead with your parts of the scheme, and then, when I hear it all, I shall have an idea of how many billions it will be necessary to raise."

"Oh," said Mr. Edmunds, "you mustn't think you can frighten a lot of socialists by talking about billions, for

we are all firmly convinced that if society was only better organized, everybody could be rich. All we have to do is to find the right way to organize it. Now, my wife and I are going to describe our fraternity scheme. We have several reasons for believing in the need of fraternities. The first reason is that the mutual help and counsel which we all need at times can be better administered through free associations of friends, than through a big state machine. Then, these free associations could act as agents of the state or municipality and relieve it of an enormous burden of work. Besides that, such associations could act as powerful independent critics of the management of public business, for the great danger of state socialism is that the individual members would become helpless atoms in the grasp of an enormous mechanism of state machinery. Another reason is that these fraternities would serve to provide religious and moral instruction to the young, for so long as people differ so much on religious questions it will be impossible for the state to provide religious instruction that will be satisfactory to everyone. Now, my wife is going to continue Miss Black's story and tell about the woman's part in the work."

### Chapter 3.

Mrs. Edmunds, without further delay told of —

#### THE WOMEN'S CLUBS OF NOFRIT.

After listening to the lecture on mountains in the large class room Karl and Theresa who happened to be both in the same class, found their teacher waiting for them in the hall. This was their day for talking French, and so their teacher for the time was a young French lady recently come from Paris. It was the custom for the different nations of the world to exchange a certain number of teachers every year, thus giving young people a chance to travel in foreign countries and providing the children of all lands with the best means of learning new languages.

Mademoiselle Claire, for this was their teacher's name, took them first to the garden, where each class had a little plot of ground allotted to them. Here they worked for an hour tending the plants and talking in French the while. The next hour was spent in the school kitchen preparing some of the vegetables they had gathered for their mid-day meal, their teacher the while giving them all sorts of interesting information about the values of different kinds of foods and the methods of preparing them. The dinner was a merry meal, partaken in a large dining hall where each class and its teacher had a table apart, the young people doing all the work of waiting at table. Then the dishes had to be washed in a huge washing machine, which served for the whole school.

That afternoon was a partial holiday; ordinary lessons were suspended but they were expected to go with their teachers to visit the different buildings of the fraternity. Mademoiselle Claire took them first to the Women's Club

House, a beautiful building with many large rooms. The first room they entered was a sewing room. Here there were fine large windows and abundant ventilation. A few handsome plants, and some singing birds in cages enlivened the place, while the walls were tastefully decorated with paintings. There were a large number of sewing machines driven by electric power, tables for cutting cloth, and all sorts of apparatus for saving labor and making work more pleasant and more perfect.

One of the industries of Nofrit was the manufacture of a rare and beautiful kind of cloth which had to be prepared in a very special way, so quite a number of women were always employed in this work. Then there was a room for millinery work, and another for pottery. The children were told that the pottery made in this place was known all over the world for its exquisite workmanship and that it brought very high prices.

In addition to the workrooms there were rooms for study and recreation, and a good sized lecture room where it was the custom for all the women to meet for an hour every day to discuss the problems of their work, or to listen to distinguished lecturers from other parts of the world.

"You see," said Mlle. Claire, "even the grown up people go to school every day. There is so much to learn in the world nowadays and knowledge grows so fast that if people stop studying they will be left behind."

After this the class went to the offices of the Club and met the President, a gentle old lady who explained to them something of the management of the club business. "Each woman who works here," she said, "pays her share of the expenses of running the place and also of the cost of the building. Then the management takes charge of

selling what she makes. Here you see a set of indicators for the dressmaking industry. This indicator shows how many dresses of the kinds we make here were used in the world last year, and other years before. The next shows the stock of dresses at present existing in the world, and others show how fast new ones are being made and how fast people are buying them. Then this one shows the movement of prices. If there are not enough being made to supply the demand the price will begin to go up a little, or if too many are being made, the price will begin to go down and then some of our women will stop making dresses and go in for something else."

After this they were taken to the store rooms where cloth of different kinds was kept, and other such things as the women might need. Then there was a sample room where they could see the different kinds of goods kept in the central store, and here they might give their orders for anything they wished.

Now bidding farewell to the kindly President, the young folks proceeded to the public kitchen of the fraternity. This was in one building with the restaurant, where many of the workers were accustomed to take their mid-day meal.

The kitchen was certainly a wonderful place, a perfect marvel of scientific machinery. There were long rows of electric ranges in which hundreds of roasts were cooking for the dinners of the members of the fraternity. There were great cauldrons of soups and vegetables. There were automatic machines for making tea in hundreds of individual teapots which were promptly sealed so that none of the fragrance of the tea might escape.

Then they saw the great dish-washing and drying machinery by which three or four workers could clean the

dishes for a thousand people in a couple of hours. There was the store room for groceries in which were bins containing many tons of sugar and flour and other necessaries. These were on the floor above so that when the cooks required any of the contents for their work it was only necessary to open the spouts from the chutes for any of the required articles to flow down into the receptacles held beneath. The head cook and the chemist had their offices close by where new dishes were continually being tested, both for their taste and their wholesomeness.

"My!" gasped Karl, "I will think more of my dinner after this, when I know the wonderful place it comes from."

But the hour for dinner was drawing near, the wagons came hurrying up and as they saw the provisions rushing through nimble hands into the crates, both children and teacher thought it time to scamper homewards.

C h a p t e r 4.  
THE FRATERNITIES  
Mr. Edmund's Story

A few days after the children had visited the Women's Club, and the fraternity kitchen, there came the time for another excursion. The class on this occasion was in charge of their English teacher, Miss Rose. Before going to the offices of the Fraternity, the class spent an hour in the library, the teacher explaining to them the use of the catalogues and showing them how to find the best books on any subject they might wish to study. They did not visit the church, because they were already familiar with it, and of course the styles of churches varied in the different fraternities. Their Sunday lessons were usually given in the lecture rooms and class rooms of the day school, often under the guidance of their regular teachers.

In the office building they met the President, who was already acquainted with them all, and he readily agreed to give them a little talk on the work of the fraternity. Indeed, in this city great and small alike esteemed it a privilege to join in the noble work of the instruction of the young. The President told them that the fraternity acted as agent for the city government in looking after its members. "Did you ever hear," said he, "of the time they used to have taking the census in the old days? They would take it once in ten years and send a lot of men every place, all over the country, to count up how many people there were. Now we have a different way of doing it. We know just how many people there are in our fraternity. You see the number shown on this indicator. If a new baby is born I touch this button and the indicator counts one more. If

any one dies I touch another button and it counts one less. Then this indicator and the indicators of all the other fraternities in the city are in electrical communication with the city indicators, which add up the total. The indicators of the city communicate with those of the state, and those with the national, and so on, so that instead of taking the census once in ten years as formerly, it is now taken every instant of time all over the world."

"Must everybody belong to some fraternity?" asked one of the children.

"Yes," answered the President. "They may belong to the free fraternities like ours, which elect their own officers and manage their own business, or they may just register in the city fraternity whose officers are appointed by the City Council."

"What is the use of the City Fraternity?" asked another boy.

"Well, you see," said the President, "there are some independent people who don't care for any of our fraternities, and then again there are disagreeable people that none of the fraternities will put up with. The City Fraternity has to look after these. Then, each fraternity has its own doctors and nurses who work in harmony with the medical staff of the city. The fraternity has a good deal to say in the management of the local school, subject to the authority of the city board.

"Another thing we try to do is to provide friends and helpful companions for everybody so that no one may feel lonely or neglected.

"Still another part of our work is to see that no one lacks for suitable employment. In fact, the fraternities are the universal employment agencies of the world, the central

offices for this work being provided by the government. For instance, one of our young men has weak lungs and I have just made arrangements for him to get work in a town in the West where there is a branch of our fraternity. Then a few people from Russia have communicated with our government wishing to visit our country for a while, and to have employment while here. I have just arranged for work for them on our city farms during harvest. They will be guests of our fraternity while here, and no doubt we shall find them very interesting visitors and quite possibly some of our own people may go back and visit their city at some future time."

After thanking the President for his kindness the class proceeded to inspect the sample room which was an agency of the great city store. Here members of the fraternity could give their orders for any common article they might wish to purchase, but as the teacher explained to them, if they wished to see a full display of all sorts of goods they would have to go to the big store itself.

This visit to the fraternity offices had not taken very long and the young folks were now eager to make their way to the play grounds, where a game of ball was to be played between crack teams of their own and a neighboring fraternity, but as it is hard to prophesy the methods of curving balls which may hereafter be discovered I shall refrain from a description of the game, merely stating that the enthusiasm of the spectators was no less than was usual at earlier periods in the world's history.

"How is that," asked the minister, looking round on the company as he finished.

"The chief difficulty I see," said the Professor, "is that a man might like the fraternity preacher, or the people,

but be very much dissatisfied with the fraternity cook. What would he do in such a case?"

"You shock me," replied the minister. "Don't you know that if anybody didn't like the productions of such learned scientists in the culinary art, it would be evidence of his bad taste?"

Mr. Jones, the labor unionist, spoke up — "But I suppose if the majority of the fraternity didn't like the cook, they might fire him?"

"But," objected the Doctor, "the cooks might have a union that would not let anybody be fired!"

The unionist grinned, and said he was afraid that wouldn't do in this case.

## C h a p t e r 5. THE WORKING OF THE CITY.

During these wintry days the weary strike kept on with no signs of settlement. Among the workers there was much suffering and a deep smoldering fire of anger and discontent, which had been much aggravated by the report that some of the leading employers with their families had gone to the south of Europe for a holiday. The spirits of our little group of friends were brightened by the pleasure which they found in the construction of their Utopia. The churches are in the habit of comforting their distressed worshippers by promises of a heavenly Paradise; socialism offers a very similar consolation to its devotees in the promise of an earthly one. The earthly ideal, however, is the more disturbing to the established order, for it quickly inspires its followers with the passion to make their ideal real.

At the next meeting it was appointed to John to speak first. Before reading his chapter of the story he gave a few words of explanation.

I must I suppose continue the plan already begun of describing how the new system opens itself out to the minds of a family of young children growing up under its influence. So I shall make the little scamps grow a few years and tell how their education prepared them for their part in the world's work. I may remark that I have based my part of the scheme on Kropotkin's theories as found in his book on "Fields, Factories and Workshops."

We all know the trouble that arises from new inventions, that throw thousands of people out of their means of living. The new type setting machinery is one recent example. It has been estimated that as a result of the

invention of spinning and weaving machinery last century, hundreds of thousands of people were slowly starved to death, they knew how to work the old hand looms but they knew nothing else. Under socialism I suppose the government in such a case would have to feed these people till they could learn a new trade, but that would take away most of the profits of the inventions. Now, Kropotkin shows that it is quite possible to train the children in technical schools in such a way that they can easily take up any one of a large number of trades or can quickly learn to work any new machines that may be invented.

"At present we say that capital has wings and can fly from one country to another or from one business to another, while labor is tied down. Now this plan will be one step towards making labor flow as easily as capital.

"Then another part of the theory is that a co-operative community having both farms and factories under control might be able, if necessary, to live within itself, apart from the quarrels of the outside world altogether. Then in summer there would be lots of hands to work on the farms, while in winter the majority could do indoor work in the factories. With this introduction I shall go on with the story. My chapter is called:—"

#### PRENTICE DAYS.

Karl and Theresa were now approaching the age of sixteen. Their lives hitherto had been busy and happy. The system of small classes had permitted the giving of far greater attention to the individual needs of each child than was possible under the old cheap and wholesale methods of the schools of former days. The custom of making the children practically acquainted both in the workshops

of the schools and in their excursions in the city and country with all the different branches of the world's work had given ample opportunity for each child to learn the direction of his natural talents.

Karl had made up his mind to go in for engineering like his father, while Theresa proposed to follow her mother's example and take up first the work of nursing as preparatory to the medical course. So the story of Theresa's training I shall leave to the Doctor and we will now follow the fortunes of Karl.

He and his school mates had now made a very good beginning in their scientific education. All the children were already acquainted with the use of common scientific instruments, such as the microscope and telescope and theodolite. In the workshops they had built small steam engines and dynamos that would work quite passably well. There was not one that could not erect a small house for himself if necessary. This had led them to studying geometry and in simple ways calculating the strength of materials. Their practical course in chemistry too had been quite extensive so that by the time they reached the age of sixteen they were prepared to go on with advanced scientific studies.

Up to this time none of the children had earned anything for themselves, but from the age of sixteen it was the rule that they should become self supporting by working for half the day in various occupations while the other half of their time was to be spent in study.

Karl was first employed in the sanitary service of the city. A new street of houses was being built and water pipes, sewers, electric light, and so forth had to be provided. The city possessed a great excavating machine capable of raising unheard of amounts of earth in a very short time.

Two great halls were dug out on each side of the street for its whole length. They were eight feet in width and the same in depth. The earth from these was carried away by motor waggons as fast as it was dug out. Then the interior was lined with great slabs of artificial stone and made quite waterproof. The covering was of a similar material with numerous windows of heavy glass. Within these halls the pipes of all kinds were laid so arranged as to be accessible from all sides whenever repairs should be needed. Such powerful machines were employed for the construction work that hand labor was scarcely required at all. The old brutalizing labor of ditch digging had been entirely done away with.

From the sanitary passages of the streets similar short halls communicated with the cellars of the houses. As a result the water mains and other services were always open to inspection and the work of excavating once done was done for good.

Karl, of course, and his young comrades had to work under the supervision of the city engineers, learning to manage the motor waggons and the big machines for excavating the earth and laying the slabs and pipes in their places.

A little later Karl had to take his turn at the work of house construction. Wood for this purpose was now a thing of the past. Bricks too, had gone out of date as requiring too much labor. Outside of agriculture probably the principle industry of the world in this time was the manufacture of building materials, artificial stone and glass of all kinds and colors; while for the inner linings there were artificial woods made of pulp, impregnated with mineral matter.

The artistic abilities of the people were exerted to the utmost to give to those creations beauty of form and color. Alluminum had now become quite cheap and was employed for beams and rafters and the scientific investigators were holding out hopes of finding other substances of hitherto unknown possibilities.

The architects would send in their specifications to the factory giving the size of each bar of metal and slab of stone or wood and when these arrived, the house in the hands of skilled workmen would go up as it were by magic.

The interiors were planned for healthfulness and economy of labor. The walls and floors joined in perfect curves. There must be neither cracks nor corners for the accumulation of dust. Pictures were either painted on the walls or enclosed in recesses covered with plate glass. Cupboards, too, and bookcases were similarly arranged so as to be absolutely proof against dust. These were houses that fire could not burn and water could not injure.

Every day the cleaners came and with electric machinery sucked the dust out of the rooms. Ventilation, of course, was perfect, so that life in the homes was almost equivalent to life in the open air.

So passing from one mechanical work to another from house building to road building, and from that to managing the engines and dynamos and studying the chemical processes in the factories, Karl continued his work. Part of each day was always given to advanced study of physics and chemistry with a lecture each day which the students of all the departments attended, telling about the things best worth knowing in all the different divisions of the work of the world.

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When John had concluded Mr. Jones said to him, "I say Williams, don't you think this boy of ours is getting rather too clever?"

"Well, but Mr. Jones," broke in Ethel, "we want to have all the people clever, so that none of them can take advantage of the rest."

"Do you expect to do that with the Chinamen and the Hindoos," enquired Jones.

"Why certainly," replied Ethel, "or we can never have our perfect socialism."

"That's right," said Professor Jansen. "The scientific principle is that peoples of different grades of culture are mutually poisonous. The higher exploits the lower and degrades it and is degraded itself in turn. That is the history of the downfall of all the empires; luxury on one side, poverty on the other, degradation on both."

"Well," said Mr. Jones, "this scheme has been running along a rather different track from the program of unionism, but I guess we'll follow it out and see where it leads us. I am going to tell you about the

#### PUBLIC BUSINESS OF NOFRIT."

There was a City Council, but it was elected on a different basis from that usual in former times, in fact it was a trades council. The engineers and builders and sanitary people sent their representatives, the farmers and gardeners theirs. The workers in the different factories had representation and so with the doctors and teachers and lawyers and ministers. The women, too, had representatives in the various branches of industry to which they specially devoted themselves. The principle was that all the different de-

parts of the city's work should be represented by the people who understood them properly and not by a lot of ignorant amateurs meddling with things they didn't understand.

The principal work of the Council was to appoint the managers for the different public businesses. There was the manager of the City Stores and the manager of the Bank who had control of the finances of the city. The managers had to be chosen for the different farms and for any other departments that did not happen to be taken off their hands by the fraternities or other free associations of the workers. The councillors were paid a good salary and were expected to spend their time going around watching things, but usually they would never interfere with the managers as long as everything was going right. Indeed generally a good manager of any business might expect to hold his position indefinitely.

Now we shall accompany Karl to the city store. He and his sister had a day off and she wanted to do some shopping. The store was the largest building in Nofrit and served as magazine and distributing centre for all things used or produced in the city. When the plans of Nofrit were drawn up it was determined that the municipal buildings should be in the centre of the city and a large area of the best building ground was allotted for their use. Then the architects were instructed to plan the buildings in such a way that they might be added to later without destroying the architectural beauty of the original plan, but rather developing it to its full capacity.

In former times under the rule of private capital the streets of our city had been enough to make the soul of an artist shudder. The only symptom of order was the lines

of the streets and a distant view made one think of the back yard of a warehouse with long rows of boxes and packing cases of every shape and size stuck alongside of one another without either rhyme or reason. When you came closer to them you were struck by the pathetic attempts at decoration. Here were two or three ornamental pillars that looked as if they had been stolen from some heathen temple. Beside them would be a stone front which you might have admired if you had not known that the rear was of common bricks. Next to that was an old building in the last stages of senile decay. Your first impression of the city had been that it was a huge lumber yard, now you discover that it was a museum of architectural curiosities to which each person who owned a few dollars and a piece of land along the street was permitted to contribute a specimen.

In this new time it was understood that the city belonged to the people as a whole and that no one had a right to insult the eyes of his neighbors by putting up any building which would spoil the effect of the general plan.

The store was the centre of the city and covered quite a large area of land. It was also the terminus of the railways and of the roads leading out to the city's farms. Into its plan a huge system of grain elevators entered. But no one would have seen in the great domes which marked the centre of the building any resemblance to the hideous structures which served the same purpose along the railway line of a former age.

We shall now follow our young people into the store. It is needless to say that the fronts of the great stores of this age were not littered up with an assortment of vegetables and dishes and other household items intended to attract

customers. We have reached a more dignified age when even the grocers have ceased to regard profits as the main object of human existence.

All purchases were made through the sample room of the store which was really a great commercial exposition, displaying all the principal products of the world's industry. Here at all times you might see small classes of children with their tutors studying and comparing the different articles offered for sale. On the walls were all sorts of illustrated charts explaining processes of manufacture in different countries so that any person wishing to buy any article might learn exactly how it was made and the uses for which it was best adapted.

Theresa wished to get some of a rare kind of cloth not kept in stock in the fraternity store, but in the city sample room she was able to see it shown in all its varieties. After making her choice and taking down the catalogue number of what she wanted the brother and sister went to the office where they left the order to be delivered at the women's club of their fraternity where she would have it made up by the workers according to her wishes. Their business done Karl suggested that they take a walk through the store houses. These were in the centre of the building arranged along the line of a railway which all passed through in the interior. The great magazines for holding grain towered away above their heads. Then they came to the bins where sugar and other staple goods were kept. A whole train load of sugar came in while they were there, enough to last the city for a considerable period. The cars were swiftly emptied by machinery which elevated their contents into the bins. They also saw the motor waggons which carried supplies to the public kitchens filled in a few se-

conds from the spouts beneath the bins. Then the waggons passed on to the scales and their loads were weighed and the amounts charged to the various fraternities to which they were assigned.

Next they visited the dry goods department where thousands upon thousands of bales of cloth were stored. There they saw automatic machinery, which cut off and folded the cloth to order, made it up into parcels, and stamped the parcels with the addresses to which they were to be sent. Carriers running past the machines hurried the packages to a distributing office where attendants thrust them into pneumatic tubes going to the distributing stations of the various fraternities.

As the young people watched the workings of all this wonderful machinery, an old gentleman who was also looking on spoke to them.

"I remember a time," said he, "when things were managed very differently. In place of one great store for a whole city there were hundreds of little stores, each one with message boys or delivery waggons running all over the place. It used to take ten persons to distribute the goods to the people for every one its takes now."

"The people must have been very stupid then," said Karl, "to do things in that way."

"Yes, I suppose so," said the old man, "but it takes people a long time to learn new ways. A good while before that even letters had to be carried all over the world just by any private persons that might happen to be going in the right way. Then after a while they thought of having a public service to carry letters for everybody and that worked a great deal better. Then a good long time later people began to think that if letters could be distributed

so much better by the state than by private people, there could be no reason why the state should not distribute groceries and pianos and other things in the same way."

"I wonder," said Theresa, "why it takes people so long to think of things."

"I give it up," said Karl, "but it's time for us to hurry home."

So nodding gayly to the old man the children ran on.

"That's splendid Mr. Jones," called out Ethel, when the reader had finished his tale. "Why, you are a poet and I never suspected it."

"Don't blame me," said Jones. "It's the spirit of that Utopia of yours, that got hold of me."

"It's your turn now, Doctor," said Mrs. Edmunds.

"Allright, I am just aching to begin," said that gentleman.

"It strikes me," said the Professor, "that this is going to be a pretty nice pie by the time we all get our fingers in it."

"Hush now everybody, I'm going to start," said Dr Steinberg.

## C h a p t e r 6. THE DEPARTMENT OF HUMANITY

Let us follow Theresa in her studies in the department of Human culture, which included all the old learned professions in law, medicine, the pastoral part of the clergymen's duties, education, along with all the modern improvements of psychology and sociology. An immense field, of course, and divided in its advanced work into many specialties, but all grouped around the central thought of human life and the conditions of its best development.

In fact, so important was this department considered, that no one could rise to any important position in the state or in leadership of men in any other department, who had not also qualified in the preliminary work of the department of humanity.

Theresa wished to follow in her mother's steps and become a physician. Having arrived at the age of sixteen she was expected to work half-time and study half-time. Those going in for nursing and medicine were expected to take part of the practical work of care of the young, and the teachers also were expected to have practical knowledge of the care of the body.

So for the first few years Theresa had to assist in the

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*Note.* — Chapters 6 to 11 have been rewritten. A number of things have happened during a quarter of a century requiring a little change in the presentation. Acknowledgment is made for suggestions to a number of writers. The notion of the Wheel of Wealth is due to J. B. Crozier's book of that title. On money questions I have tried to make a compromise between Bellamy and J. M. Keynes.

nursing work in various hospitals, and also in the care of the young in the schools. Four hours a day was given to practical work and as much more to study, chiefly in biological and medical science, and psychology, but also dealing with the problems of human social relationship.

After that came the time of specializing, but here too in order to secure fluidity of labor and economic security for the individual, every one was expected to be able to work with his hands in some form of industrial pursuit.

The idea that one way of making a living was nobler than another, or gave any right to social superiority was frowned upon. All forms of arrogance and assumption of superiority were treated as vices. In fact young people in whom Napoleonic complexes were discovered, were not allowed to have children for fear that these should at sometime become a danger to the state.

A considerable part of the work of this department consisted in early discovery of any special gifts possessed by any of the children, and of course of special weaknesses that needed to be guarded against. Very few people are born criminals. Crime simply means wrong adjustment to one's environment and practically everyone can be fitted into some place in the world's work, if only there is a little trouble taken to study his case.

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"Now", said the doctor, "this is a very short description of some of my ideas. I hadn't imagination enough to make a picture of it. But tell me if I am right."

"Well", said Prof. Janson, "it is only a few years ago since we got into the habit of summing up all studies of all living creatures, whether animals or plants or man him-

self, whether sick or healthy, under the big word Biology. We found that useful as giving a broader view. So I think it is quite proper to unite all that has to do with the culture of human beings into one broad general science of Humanity."

"But why", said Mr. Jones, "do you compel everyone who aims at any position of power to be a graduate of your College of Humanity."

"Simply because," said Dr. Steinberg, "it is necessary to give them the right view-point. They must be started off with the realization that the best development of mankind is the supreme object of our business, government and everything else.

Our present trouble is due to the fact that we are ruled by men who think the whole end of life is getting hold of money, that is of claims against the wealth of the community. This rule of the business men has distorted everything and will bring untold misery to mankind if we do not rid ourselves of it. Let us get back to a far earlier idea of this world being a garden that we are to cultivate, and human beings the things in it most worth cultivating.

"The trouble with the business man," said Mr. Edmunds, "is that he has been misled by a false theory, the old theory of "laissez-faire," or "leave things alone." Long ago governments meddled with business, and kings gave monopolies of trade to their favorites, which were, of course, a great hindrance to business. As a protest against this, there came in the idea that if everybody minded his own business and made as much money as he could things would come out pretty well.

Let us admit that the world has made considerable progress under that idea, but we have got to a place where

it won't work much longer. Naturally I agree with the doctor that no one is fit to be ruler of men, whether in business or anywhere else, who does not realize that the worker is of more importance than his work."

"Still", said Mr. Ilverson, "if the workers don't work reasonably well, even your Department of Humanity won't be able to give them much of a living."

"Granted," said the doctor, "but now, Mr. Ilverson, we are getting our ideal city pretty well outlined, at least as far as its general principles are concerned. We are going to leave it to you to say how its finances are to be managed."

"It seems to me", said the old capitalist, "that this crowd is getting pretty sleepy. I won't say that your part of the story is responsible, but I move that my part of the program be postponed till another evening."

To this everybody agreed, and the meeting dispersed.

## Chapter 7. WHERE THE MONEY CAME FROM.

A few days later the company met again to hear Mr. Ilverson's contribution to the story. Mr. Jones had brought a radical lawyer, whose name was Thompson. In introducing this gentleman he remarked that the situation seemed to be getting serious, and he thought it would be better to have a little legal advice on the subject.

"But," said Ethel, "Mr. Thompson did not hear the first parts of the story."

"Oh, I have coached him up as well as I could," replied Jones. "I showed him the flesh and the bones of the scheme, but I didn't trouble with the feathers."

"I think the feathers were the nicest part," said Mrs. Edmunds.

"Well, Mr. Ilverson, we are waiting for you," said one of the socialists. "I suppose you will give us a capitalistic socialism?"

"Yes, you might call it that," said the gentleman addressed, "or you might call it individualistic socialism, or competitive socialism, and you woldn't be far wrong in either case. But before I go on to explain my scheme. I want to make a few pointed remarks about some of the socialists and the blunders they make in their theorizing.

"The first thing I want to impress upon you is, that you can't eat your cake and still have it to eat another time. Now the most dangerous delusion that socialists are apt to take up with is the notion that all the government has to do is to print as many dollar bills as it likes, in order to pay its debts. For instance, some of them would like the government to buy all the railroads and farms and

factories at once, and just pay for them immediately by setting a lot of printing presses to work to print a few billions in paper money. The French Government tried a scheme like that once, although on a much smaller scale, and the result was that it took a thousand dollars of their rubbishy money to buy a pair of boots, and after a while it would not even buy that much.

"In the first place, money is just a tool to help in doing business, and if you make too much of it, it will go down in value just the same as anything else of which there is an oversupply.

"The next thing I want to remark is that most of the economic discussions between the socialists and the other side are in a muddle because the same word is used with a lot of different meanings. For instance, we say a man has a lot of money when he has a lot of ten-dollar bills in his pocket, and again say he has lots of money when he owns land and houses or railway shares; but these are really very different things. A man might have a hundred thousand dollars' worth of property and yet be forced into bankruptcy for the want of two or three thousand in hard cash to pay a pressing debt."

"Well," said another socialist, "why should he not have a right to call on the government to advance the money on his property? That is what the farmers want done to save them from the moneylenders."

"I will tell you the reason," said Mr. Ilverson. "With the present political system it would mean ruin. As soon as the government began that, every member of it would be besieged by all his constituents for money all the time, and the political party that would advance the most money would get the most votes. The result would be that the

government printing presses would be printing money day and night. The more money they issued, the higher would jump the prices of land, and the higher the prices of land, the more money would be called for upon its security, and we would simply have the experience of the French Commune over again. That is one of the reasons why even the banks are not supposed to issue money on real estate."

"Well then," said the Doctor, "you seem to consider the rise in land values the greatest danger of the government's lending money to the people."

"Yes, that is one of the dangers," replied the capitalist.

"But suppose we did away with private ownership of land, and it all belonged to the public, we should escape that difficulty."

"Certainly, although there would still be danger of a rise in the prices of stocks. Then there is another trouble that even the city socialists have not realized, — and here we come to the commonest blunder of a certain type of socialism.

"To make this clear, let us take a simple illustration. Suppose a socialist community, of say, a thousand members. Half of them, let us say, are engaged in producing food stuffs, clothing and other things, all of which are expected to be used during the year in which they are produced. The other half are occupied in making roads, building bridges and erecting houses, which can only be used and give out their value during a long term of years — let us say, thirty years.

"Now, is it not clear that no matter how you pay your workers, whether in labour checks or dollar bills, they can only get in one year in return for these labour checks or dollar bills that part of their product which is capable

of being used that year, say all the food and clothes, but only the thirtieth part of the roads and houses. So it would not matter whether you called each member's wages a thousand dollars or a million dollars, because he could buy with it no more than his share of the immediately consumable product."

"Yes," said one of the socialists, "but they might keep the part of their wages represented by the houses to help pay for the use of the houses in future years."

"They might," said Mr. Ilverson, "but a good many of them would try to spend all the money that was given them, at once. Consequently the prices would go up for everyone. Would it not be better, then, to fix a standard and pay out in wages only enough to buy the immediately consumable product of the community, and to give to each worker a proportional claim for the future on the houses and roads and bridges which had been constructed?"

"Yes, that would be better," the company assented.

"Then you think," said the minister, "that the limit of safe issue of money is the value of the goods in existence that can be used up right away?"

"Yes; money just means a promise to pay value immediately on demand. The things that are sure to be demanded are things than can be eaten or used up at once. So you must not issue promises to pay more of these things than you can furnish. Otherwise your promises will lose their value.

"But we shall have to add something else: we shall have to consider services, such as visits from the doctor, rides on the railroad, the work of the teachers in the schools. These are in a way good things, just as much as bread and milk and groceries. Part of our problem will be to find

out how much money we can issue for these things."

"The farmers," said Mr. Jones, "think their wheat should be legal tender, just as truly as gold. Now, will it be possible to make labour of all kinds legal tender also, so that any worker may have the right to come to the employment offices and demand at least a living wage in return for his labour?"

"That," said Mr. Ilverson, "is the very problem we must try to solve; but I warn you it will not be easy. If we can succeed in doing what you ask, we shall solve the unemployment question. And, indeed, I believe that it is partly defects in our money and financial system that are responsible for unemployment. But there are also other causes that we must look into first. So, let us talk a little about unemployment.

"If you take the case of Robinson Crusoe on his lonely island, there is no unemployment problem. He is his own employer and his own workman. He works so long as there is anything he needs to work for. When he has secured all he wants, he rests, but when he is resting, you do not call him one of the unemployed: he is a gentleman of leisure.

"The unemployment problem only comes in in a society where there is division of labour. Then you have some people specializing in farming, others in blacksmithing, others in law and medicine. Now if you have twice as many doctors as the community needs, there will be unemployment among the doctors. If the farmers grow twice as much wheat as the community needs, or the farmers' wives produce twice as much butter, you cannot help the prices of these things coming down. Indeed it would be hard to arrange any scheme by which wheat could always have the

same value, or a worker in some over-supplied trade could always ask for work in that trade.

"You will have to adopt our young mechanic's plan of making labour fluid by training every person to turn his hand to different things to get that difficulty out of the road. And now having looked that part of our problem in the face, let us return to the more complex matters of money and capital.

"So now I shall give you my chapter of the story, and shall call it *The Economics of Utopia*.

### THE ECONOMICS OF UTOPIA.

We shall accompany our Karl and Theresa on a trip with their professor of economics, whom we shall call Professor Thomas. It was not a very extended trip, for it was made to a special demonstration room in the Department of Statistics where various models were shown illustrating the working of the economic system of their world. We may mention that the money used here did not look very different from that with which we are acquainted at the present time.

"What do you children think is the real nature of money?" said the professor. For example, what is the difference between money and a railway ticket?"

"Why," answered Karl, "money is good for anything you want to buy, but a railway ticket is only good for a ride on the railway."

"Very good," said the professor; "in that case money is just tickets, but it differs from theatre tickets or railway tickets in that it is a sort of universal ticket, good for all sorts of things. Now tell me this: Suppose that you

owned a theatre and were putting on a show in it, how many tickets would you offer to sell for the show?"

"Of course," Theresa replied, "we could only offer as many tickets as we had seats to sell in our theatre."

"But now," persisted the professor, "if money is just tickets for all sorts of things, how many tickets of this sort should the government allow to be issued?"

"Why, I should think," Theresa replied, "that would depend on the quantity of all sorts of things that could be offered for sale."

"Tell me this, now; has a railway ticket any value in itself, except that it will give you a ride on the railway?"

"No, of course not, the railway ticket itself is just a piece of pasteboard worth almost nothing."

"Then does money need to have any value in itself?"

"No, I don't think so," said Karl, "as long as you know that there are lots of things that you can buy with it."

The professor then led them to an apparatus meant to illustrate the stream of wealth. Above was a raised map called the plain of production. Here were shown farms, factories and forests. A river, branching widely, flowed through this country and led to a ravine at the near end of which was a giant water-wheel. All the products of the plain of production flowed down the river to pass into this water-wheel, which was called the wheel of trade. The river issuing on the other side of the wheel was called the river of use or of consumption of goods.

At first the river flowed over the wheel and into the ravine. Now the professor inserted a dam in the ravine blocking the river below. Immediately the river began to choke up and the wheel of trade moved more slowly. Soon the waters began to back up on the plain of production

itself, so that the work of making goods was forced to slow up.

"Now," said Professor Thomas, "what do you learn from this illustration?"

"That there is no use making goods unless they are going to be used," said Karl.

"Very good; and what is the instrument in our society by which people are enabled to make use of the goods?"

"Money, of course; for that is the tickets people get to enable them to buy the goods."

"Then you see that there are two ways by which a people may become poor. The first is when they do not provide enough of the things they need; and the second is through their not getting enough money to buy the stuff they have produced. Now in the past history of our race we have had these two different kinds of poverty. The first kind was in the age of primitive industry, when people had few and poor tools and little scientific knowledge. Then they needed to work very hard to get the bare necessities of life. The second kind of poverty followed the great mechanical inventions of the nineteenth and twentieth centuries. Scientific discoveries had multiplied man's powers of production enormously, but the wealth of the community had got into the control of a few very rich people, who were racing one another to see which could brag of being the richest. The ones counted the richest were those who had collected without spending the largest number of tickets for goods—that is, the most money. But it is clear that if a lot of tickets are hoarded up uselessly, they are failing to do their work in clearing away the produce from the wheel of trade. The purchasing power of the people

fails because they do not get enough tickets to take away the product."

"Then," said Theresa, "is the cure for that kind of poverty just to give the people more money or more tickets?"

"Precisely," said Professor Thomas, "but you must also see to it that they use the tickets."

"But why," asked Karl, "do people not use their tickets?"

"The reason for that," said the professor, "is that in former times people were afraid that a time might come when they wouldn't get any more tickets, that they might get sick or lose their jobs, and so might be in danger of starving."

"But people are not afraid any more now-a-days," said Theresa. "How has that come about?"

"Because we have got a better organization of our society. We don't think a civilized people should allow a wild struggle for life or for wealth among themselves. In fact we think that any human community ought to be a mutual aid and mutual insurance society. We say that the only use of either business or government is to enable the whole people to live better and more happily. In old times they thought that if everybody worked for his own selfish advantage, things would come out all right. But they found out that they didn't come all right, and that there was nothing but confusion. We don't need to go into all the old arguments, but let us try to understand how in our present world we bring about a harmony between human labour and human needs.

"Here is a model of a dynamo. You notice there are two wires entering it. One brings in the electricity, the

other leads it out. The dynamo only works when there is a sort of circular movement of power running through it. So this again is like our water wheel, which we called the wheel of trade. But let us call this the wheel of wealth. Let us say that the entering wire gives a pushing force and the leaving wire a pulling force.

"Now in the wheel of wealth, human labour is the pushing force; it produces the things people need; human needs are the pulling force. If the circle is broken on either side the machine stops. In the old economy, just the same as in ours, money was the instrument that conveyed the pulling power of human needs. To keep the machine running rightly, both forces must be acting equally."

"But," said Karl, "you have been talking only about the goods that people make and use. What about the machines that make the goods, the stock on the farms, and the buildings and the factories in the cities? You call these capital, don't you? Where does the capital come from?"

"We have our choice of two ways of looking at that," said Professor Thomas. "First, let us think of it from the labour side. Viewing all the people as labourers in some form or other, we may say that they have to do enough work to produce not only all things they consume, but also to provide the machines, the buildings and the railways.

"But then we may look at it from the consumer's side, and say that the manufacturers and merchants always plan to charge enough for their goods to make up for wear and tear and replacement of the machines and buildings. So if you look at it in one way—the people as a whole must provide the capital by doing extra work for which

they get no immediate return, or else they provide the capital as consumers by paying so much extra on the goods they buy."

"But which is the best way to put it?" asked Theresa.

"If your people are lazy and ignorant, the easiest way is to make the people provide the capital, by charging them more for their goods. If they are really intelligent, it is better to tell them that every one must do his share of the work in providing the homes and public buildings and factories."

"But," asked Theresa, "what is the use of providing buildings and factories for the future, if there are to be no people to use them? Where does the money come from for raising children and educating them before they are able to work?"

"Yes," said Karl, "and where does the money come from for taking care of people when they are sick or too old to work?"

"I am glad you asked these questions," said Professor Thomas, "and I shall try to answer them. You evidently see that there are two kinds of capital, the dead capital, which is the machines and buildings, and the living capital, which consists of the people themselves; and I think you will agree that the living capital is the more important, and that other goods and capital exist only to serve it.

"To understand this problem better, let us begin with a simple case—a family or small primitive tribe living all by themselves. Here we see life going on from generation to generation. Children are born, grow up to manhood and womanhood, grow old and pass off the scene; but the family or the tribe keeps on forever, unless some enemy destroys them.

"We have spoken of wheels of trade and wheels of wealth; but here is the most important wheel of all—the wheel of life. Now in this wheel, the main part of the work is done by the grown-up people in the stage of active life. It is their work that rears the children and supports the old. It must be just the same in every society, but the lack of harmony in the older civilizations came from great inequalities in the distribution of wealth. Our civilization is arranged to prevent any great inequality.

"Let us explain our economic system briefly.

"We have certain great funds:—

The house fund,—which provides the homes of the people, their parks and gardens and social centres;

The capital fund,—which secures the needed factories, tools and raw materials.

The education fund,—which provides for the maintenance and education of children, and for schools and colleges;

The insurance fund,—which provides against sickness and accidents, also for all medical services and hospitals; and finally,

The old age pension fund.

"Every young person, reaching working age, is required, in addition to providing what is required for his or her own maintenance, to contribute a proper share of the first four of those funds,—to the house fund, that he may have a permanent right to a home somewhere; to the capital fund, that he may have a right to work; to the education fund, for what has been done for him in the past; to the insurance fund, that he may be cared for in case of sickness. Then when his working days are over, his share in these funds passes over into the old age pension

fund, and disappears with him at his death."

"But how does he pay these contributions?" asked Karl. "Do you give him so many more tickets, that he turns back again to the state in payment?"

"No," said the Professor; "the only way he pays is in the extra amount of labour he does, and this is credited to him. In fact, in our age, all dues and taxes are paid in labour.

"You see in this plan we are simply trying to secure in our vast and complex modern civilization the natural harmony between labour and need that exists in the primitive family.

"The old-fashioned farm family of the early days worked to build its own home, to improve its farm, to cultivate its fields, and asked no questions about wages. It worked to supply its needs, it worked to store up its food-stuffs for the winter, it worked to increase its capital equipment, because in doing all these things it was contributing to its own welfare and security.

"The age of capitalism with its fierce competition gave a great stimulus to new inventions in industry and business management, but it destroyed the social harmony. It brought about the absurd condition where increase of wealth made the people poor.

"Now you have spoken of capital as distinct from goods that are to be used at once. Let us look at this model to show what capital is."

The professor led them to something that appeared like a waterfall passing over a block of ice.

"Look now," said he, "at the upper part of this block and tell me what you see."

"It looks," said Theresa, as if part of the water was

crystallizing on top of the block of ice and making it larger."

"Quite right," said the professor. "Now that stream of water represents the labour power of the community. The part of it that crystallizes on top of the block of ice is the part that is transferred into capital goods, such as tools and buildings; the part that flows on past the block is labour that is transforming itself into goods ready for immediate use, such as food, clothing, motor cars and so forth. But look now at the sides and lower part of the block and tell me what you see."

"Why," said Karl, "at the sides and lower part of the block I see the block of ice dissolving again into water and joining the general stream."

"There," said Professor Thomas, "you see the services that capital is rendering to mankind. The tools wear away, the buildings slowly become old in service, the capital invested in raw materials is changed into useful goods, so that this stream coming from the use and wear and tear of capital joins itself to the general stream that supplies human needs.

"So we say that capital is a sort of frozen wealth that is used up gradually and is steadily replaced by the toil of mankind."

"They called the age before ours the age of capitalism, and I have heard that there was a great deal of poverty and distress in that age. How was that," asked Karl.

"The main trouble was," said the professor, "that there was no orderly control of the use of the capital for the common benefit. Some people could not get any capital to use, and so their labour power was lost. Other people managed to get hold of big blocks of capital and competed with one another in seeing which could get the biggest.

Now it is the peculiarity of capital that unless it is being used, that is, unless the stream of labour changing into the stream of goods is always passing over it, the capital itself is lost or wastes away uselessly.

"You remember that our primitive farm families were their own capitalists and always had the right to work. So that the thing at fault in the so-called capitalist age was simply that only a few were capitalists. In our age we insist that everybody must be a capitalist."

"I see," said Karl, "that on our plan everybody has to work to produce his own share of the houses and tools, just as the early farmers did; but how did they manage it in the capitalist age?"

"In that age," said the professor, "a few people held the land and natural resources, and others owned the factories, so that the mass of the people could only get work by permission of these owners, and they had not the right to work to produce their own capital nor even their own subsistence.

"Then in that age everything depended on money. New capital was provided by those people who did not spend all their money income but invested it in new capital goods. But there was no way of controlling this process. Often more factories were built than were needed, and that meant, under the old system, that many of the investors lost their money. If they had spent their money instead of investing it uselessly, it would have kept the wheels of business going, but uselessly invested it just clogged things up. Then besides that, all those people who could not get work had no purchasing power, so the channel on the other side of our wheel of trade became blocked."

"But still," persisted Karl, "I do not see how our modern business is controlled so as to prevent that clogging."

"I think," said Professor Thomas, "that we have got enough for one lesson. Suppose we leave these other problems for another day."

"Thank you, professor," said Theresa, "I think we shall go and rest our brains at a game of tennis."

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"Now, Mr. Jones," said the professor, concluding, "what do you think of that?"

"I admit," said Mr. Jones, "that your explanations are very pretty, but our trouble as labour-unionists is fighting the fellows that own the capital, and trying to get as much out of them as we can. The socialists tell us that we must take away the capital from the capitalists, and have the government manage the whole business. So I shall echo Karl's question of how socialist government is going to run things, and add another question to it — How are you going to get the capital away from the capitalists, and into the hands of the public?"

"Two very important questions," said Mr. Iverson. "The crude socialist plan is very simple. Just have the state assume control of the whole thing, organize the labour power of the community into an industrial army, set so many regiments to farming, other regiments to running the railroads and factories, and so on. Let them do enough work to produce everything that everybody needs, and let them go and play themselves in their spare time. Now tell me what you think of that plan?"

"That scheme looks rather too sudden and startling,"

said Ethel. "I should be a little afraid of it."

"Still," said Dr. Steinberg, "in the time of the Great War, the European nations did something like that very thing."

"Yes," said Professor Jansen, "but when a nation is in deadly fear for its life and can think of nothing but defeating the enemy, you can get the people to agree to almost anything. It's different in peace time."

"I say," Mr. Jones," said John, "how would it do if, instead of fighting the capitalists over wages, we trade-unionists just took over the industries and managed them ourselves?"

"No, thank you," said Mr. Jones, shaking his head vigorously. "At present the managers of business have to worry about getting raw materials and about markets for selling their goods and all sorts of things. I prefer to let them keep at it. I have worries enough of my own."

"Then," said Mr. Ilverson, "you don't want to do the way they did in Russia, chase away the business managers and put the men on the job?"

"Not unless we had a lot of men with a very different sort of education. The present workers would have too many things to learn."

"Well, then, would you like to have the central government take it all over, and appoint the managers?"

"Not our present sort of governments; and, besides, the job is too big. We don't want a great centralized bureaucracy, and I am not enough of a militarist to want to see everybody a soldier, drilled and disciplined in a great machine."

"What we want to do," said Professor Jansen, "is to get a scheme of universalized public capital that will allow

some freedom of enterprise to those who desire it."

"Yes," said Mr. Thompson, "and we want to get some of the advantages of mass production in those industries where it works best, and still not have the people feel that they are only cogs in a great machine."

"But, I thought," said the doctor, "that socialism was going to allow the people most of their time to play."

"The best play," said the minister, "is doing the kind of work you like to do."

"Then," said Mr. Ilverson, "you consider the great factories a misfortune, only to be tolerated when we cannot find ways of scattering the work."

"Yes," said the labour-unionist, "for the management of a great factory always has to treat men as if they were machines."

"Then," said Mr. Ilverson, "our ideal system must be de-centralized. We must get our units of a smaller size for the sake of more freedom. We must not sacrifice the human factor too much to the economic."

"Electricity will help us there," said Dr. Steinberg.

"Good," said Ethel, "I see hope for my country city."

"Next week, then," said Mr. Ilverson, "we shall see if we can combine the two things, public capital and human freedom."

## C h a p t e r 8. ARRANGING THE NEW ORDER

At the next meeting of the Utopia Club, Mr. Ilverson, before continuing his talk, asked the members to mention some of the things a good social order should provide. The answers were prompt and varied.

"Equality of opportunity," "the right to work," "the right to life," "freedom to choose one's work," "leisure, culture and education for all," "let us get away from the scramble for riches."

"Very good," said Mr. Ilverson, "we shall see if we can plan something that will suit you. But evidently equality of opportunity is the first of those things that we must aim at. Now, in order that all may have an equal chance in the world, the first thing is to establish the principle that all have equal rights in the natural resources.

"The next thing is that all must have a right to the use of some share in the capital of the country. These two things are necessary if we are to offer our people the right to work.

"The right to life is a more doubtful question. In the world of nature we see a fierce struggle for life, but in human society we should like to abolish that if possible. Even in society there is good authority for saying that if a man will not work, neither shall he eat. So, are you agreed to this: -- Our aim is to secure to all the right to work. Anything beyond that is a matter of charity."

"Agreed," said the company.

"Then we have the other problem; we wish to avoid a huge military bureaucracy, so we shall try to organize

our people in co-operative groups of moderate size.

"You remember that Sir Thomas More called his ideal state Utopia, or No Place, because it was a dream not yet realized. We, too, are building a dream world, but we don't want to have all places in it alike. We should prefer variety to monotony.

"We seek freedom and the possibility of different ways of living, along with a fundamental economic structure that provides security for all.

"Suppose, now, we call our dream world Polytopia, or Many Places, and let us follow our family from our dream city Nofrit on a trip of exploration."

### A JOURNEY IN POLYTOPIA.

The Alford family had made arrangements to take a holiday for a couple of weeks and visit some interesting places where life was organized in different ways to those of their home town.

Their first place of call was known as the City of the Architects. This was inhabited by people who loved beautiful buildings. They, too, had their farms and gardens, and a few factories, in some of which all had to take their turns doing a certain amount of necessary work. But the main delight of these people was the production of beautiful buildings, and sculptures. Among them, also, were people who painted pictures and mural decorations, and others who made beautiful furniture. When the city was projected, there were two questions that had to be considered. The first was the economic one. How were they to make their living in such a way that the larger part of their time could be given to their favourite tasks.

It was laid down as a general rule that every community should, if necessary, be able to live on its own territory, so this City was able to provide a large proportion of its food from its own farms and gardens. Also it might hope to exchange some of its pictures and furniture with other communities for things it desired. But if it could make its architectural and artistic surroundings sufficiently beautiful it might expect considerable revenue from visitors, who wished to spend a while enjoying its beauties.

So, in the City of the Architects there were wonderful hotels in the heart of the city, and bungalows for rent in the outskirts, where people from other places could come to spend their holidays.

"Are there any other cities of architects besides this?" asked Karl of his father.

"Yes, many of them," said Mr. Alford, "but none just like this. Some of them specialize on one type of architecture, others on another. Each desires that it should be unique in some way or other."

"How do the people get paid for all the work they do here?" asked Theresa.

"These are people," said Mrs. Alford, "who love art and beauty. They take their pay in having the right to live in a beautiful city, and they may hand on this right to their children after them."

The Alfords stayed two or three days in this city, admiring the buildings and the paintings, and looking in at the schools of art where scholars, young and old, were practising painting and sculpture under the eyes of masters. Very often the masters would put the finishing touches on the work of the students so as to fit it for use in their homes.

Of course the whole plan of the city had been laid

down at the outset by landscape architects and gardeners, so that there was nothing to break the harmony of the whole.

The Alfords next motored to another city known as the "City of the Philosophers." This city was inhabited by people who loved study, and who did not care to do any more work than was necessary to provide a moderate degree of comfort. The buildings here were attractive but inexpensive, and the taste for beauty was satisfied chiefly in the natural surroundings. There were forested hills, grazing lands for cattle and sheep, and the city itself apart from a few small factories, was noted chiefly for its colleges, libraries and museums. Its homes were in part large community houses containing groups of private apartments, with public dining rooms and rooms for social gatherings; while for those who liked greater privacy, there were bungalows among the trees.

"But, if these people don't like work, how do they get their houses?" asked Theresa.

"They are all under the law of labour," said Mr. Alford. "Their houses are built of standarized materials made in great factories, and are so durable that they will last a lifetime. Young men who wish to devote their lives to study have, like everyone else, the right to go and work for a time in the great public building factories to earn the material for their own homes and the cost of transportation. The home is thus provided for life, but of course the citizens must also unite in providing their public buildings.

"Another source of revenue is the making of books. Any important City of Philosophers will have its own printing establishment; and usually some travelling students

will spend time here working for their board and tuition."

"But," said Karl, "what does a philosopher do, if he wants a motor car?"

"Why," said his father, "most philosophers, if they cannot make money by teaching or writing books, will do a certain amount of other work to get things they want. They have also the right to go to a motor factory and work long enough to earn a car."

"But one advantage that a city of philosophers has is this, they can easily provide for the education of their own children by doing the work themselves."

The next place the Alford family visited was the City of Hoboes.

The City of Hoboes was in a piece of rough country, not well suited for agriculture, but adapted for forestry and the cultivation of fish and game. The hoboes also earned their homes, either by making them of logs and clay found in the neighbourhood, or, if they were more ambitious, they could go and work in the public building factories to get the materials.

They would usually divide up the necessary work for maintenance among themselves. Some would go to the public mines or work in the forests to earn their fuel. Others would go out to other kinds of work to earn their food and clothing.

The forests were under the control of skilled foresters who directed the necessary work of planting, underbrushing, roadmaking and cutting of timber.

"But what is the difference between a hobo and a philosopher?" asked Theresa.

"Sometimes not very much," put in Mrs. Alford.

"Oh, there are all varieties of both," said Mr. Alford.

"Both prefer leisure to work, but the philosopher makes a better use of his leisure. His studies may be very valuable to mankind, the hobo's usually are not."

"Do they let the hoboes get married?" asked Theresa.

"Nobody is allowed to have children," said Mr. Alford, "unless he comes up to a certain standard of working efficiency. Those who dislike all kinds of work are allowed to do only enough to keep them from being a burden on the community, and that means that they must provide something for their old age, in the shape of extra work. But we will not allow the world to be flooded with lazy people and further we demand that all children shall have equal opportunities in education and capital resources to start with. Only those who can prove that their hands or their brains are useful to society are allowed to marry."

"Are hoboes allowed to travel about?" asked Karl.

"Why, certainly, for that is usually the nature of hoboes. They are restless people, so each hobo city has its hobo hotels where they can live cheaply according to their fashion, and find work when they need it."

"But are not these wandering people dangerous?" asked Theresa.

"That is seen to," said Mr. Alford. "All must belong to some of the fraternities which act under government supervision, and see that everyone is registered and provided for. There is one kind of freedom that is not allowed in our world, the freedom of concealment. We must know where everyone is and how he makes his living. We don't allow any banditry or parasitism of any sort to get a start."

"Supposing," said Karl, "that a number of young people wanted to start a new city, to carry out some ideas of their

own about how cities should be managed. How would they go about it?"

"It would be easier if they were planning to start on some old and well-tried method," said Mr. Alford.

"As our capital is a permanent circulating fund belonging to all the people, everyone has a right to the use of some of it. But then the government would want security for their good management. If they wanted to start a new city and had no extra surplus capital of their own, the government might allot a piece of territory where their project would be economically feasible, and it would also appoint an experienced manager to guide them. After they had accumulated a sufficient surplus of their own city capital to safeguard the public interest, they would be allowed to appoint their own managers."

"I have read in old books," said Theresa, "of people having to pay back more than they borrowed. They called that interest. Should we have to pay interest if we borrowed capital to start our new city?"

"Nowadays," said Mr. Alford, "we arrange to have such a large surplus of all capital, that there is no need for charging interest. We are in the same position as the primitive farm families we spoke of. They got the use of their capital as a means of enabling them to work when they needed to, and their children cared for them in old age as a return for the care they received in youth. It is just the same with us."

"But now to help us to understand our economics better, let us go to our Administrative City which links up the economic system of the great group of city states to which we belong."

So the Alford family set out on another stage of their

journey of exploration. On their way they saw groups of young people busy in the construction of a new scenic highway through hilly country.

"Who are these people we see building that road?" asked Theresa.

"These are students from the colleges doing there share in making their world beautiful. In later life they will drive their cars over that road and will feel that they have earned the privilege by the work they are doing now."

The City of Administration differed from other cities in that it was neither an industrial nor agricultural centre, at least to any great extent. It was the seat of the College of Economics and Organization, and had some small factories and gardens where students in that college might earn their living while studying. The chiefs of the different departments were also teachers in the college.

Mr. Alford explained that this city had a two-fold function. It exercised some supervision over the city states of its territory, and served as a link of communication between these and the larger national and world organizations.

The first department which our friends visited was the department of the Encyclopaedia. This was really a great library which contained copies of all important books or magazines published anywhere. This served as a centre of information for all students working within the territory.

With the tremendous advance of knowledge in the world it was necessary to have clearing houses where anyone wishing to know what had already been done on any subject, could get the information he needed. Scholars, of course, had so organized the work of investigation that the best

possible use should be made of the abilities of all scientific workers, and so that they should not be going ahead blindly in ignorance of what other people had discovered.

The colleges in the different city states usually specialized on some particular line, and the Department of the Encyclopaedia served to keep them in touch with world progress. It also assisted in the work of popular information, distributing at low cost beautiful illustrated books and papers which enabled amateurs and interested people among the general public to keep in touch with the progress of knowledge.

In the College of Economics they found housed the Department of Statistics. Here one could get information on the economic life of the world, the present production of all sorts of commodities, the probable future production, the rate of the growth of world population. From all these and other factors was calculated the probable movement of prices for some years ahead.

All these things were calculated automatically by great and complicated machinery, working on information regularly supplied from all over the world. One of the most interesting studies was that of determining the accuracy of these calculating machines. The great object of all this was to stabilize the economic life of the world, so that people would not be rushing into enterprises blindly, but would know with reasonable accuracy what prices they might expect for their products.

"Father," said Karl, while the family was looking at some of these strange machines, "I have read of patent rights that inventors used to get, so that anyone wishing to use their inventions would have to pay them money for the privilege. Are there such rights now?"

"No," said Mr. Alford, "we do things differently now. There was often great injustice done in the old days. Very frequently the man who had done the most valuable research work on those inventions got nothing at all for it. The first man to get his invention patented might realize a fortune, while another man who had discovered the same thing independently, but was a few days or even hours later in applying, got nothing. Commonly the great benefits of an invention were reaped by greedy promoters of companies or lucky investors, while the inventors themselves got very little.

"Nowadays most of the work of developing new ideas is done by organized groups of scientists working all over the world and in constant communication with one another. The discovery of anyone is immediately communicated to all the others. Then the profits from the common work are used to promote further research, but special honours are given to those, who have made the most remarkable advances.

"In fact," concluded Mr. Alford, "the spirit of scientific investigation now is the spirit of an army, not the spirit of a lot of money-grabbers. We do not allow our modern world to be ruled by its greediest members."

"There was one thing I did not understand," said Theresa, "when we were looking at those big machines in the Department of Statistics. I did not understand how machines could regulate prices. How could a machine decide the price of a bushel of a farmer's what?"

"Of course," said Mr. Alford, "a machine can only do what it is built to do, and the construction of these machines and the way they are used has to be determined by the World Congress of Economics. The business of this

Congress is to see that there is always a plentiful store of food against possible years of famine, and to see that there is always a vast reservoir of all capital goods, so that everyone may at all times have the right to work.

"The World Parliament determines the quantities of all these reserves that are desirable and prices are arranged to shift very gradually up or down as world production lessens or increases. Those machines you saw feed on statistics and give out price rates according to the established rules."

"You see, children," said Mrs. Alford, "in this world of ours we let machines do all that machines will do, and that leaves us most of our time free for the more interesting and human side of our work."

"Work like studying and teaching and looking after growing things such as flowers and chickens, you mean, I suppose," said Theresa.

"Yes, and scientific investigation and inventing of new machines," said Karl.

"Plato, long ago," said Mr. Alford, "thought that we might have a good world if kings were philosophers. Now the people are kings and we try to make them all philosophers."

After this lesson, the Alford family directed their course back to their home city of Nofrit.

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"Now," said Mr. Ilverson, concluding, "are we getting any nearer our goal?"

"I like the way it sounds," said Mrs. Edmunds, "but what are you going to do with all the stock brokers and speculators?"

"We shall replace the stock brokers by our system

of pooling all our capital and reserving its use for the needs of the people. We shall restrict speculation to those, who like to invest their free time in trying new experiments. If the experiments turn out well, they will be rewarded."

"I am afraid," said Mr. Jones, "that you will have some trouble turning us all into philosophers."

"If you can only make philosophy and botany and things like that the fashion," said Dr. Steinberg, "the results might surprise you."

"Yes," said Mr. Edmunds, "and there are lots of other things besides philosophy to interest people—sports of all kinds, and music, art and literature; and I should like to remind you that the philosophy of the masses has always taken the form of religion."

"So far, so good," said Mr. Thompson, "but what sort of laws are we to have in our new world?"

"They will need to be a lot different from the present ones," said Dr. Steinberg.

"I suppose," said Mr. Thompson, "you think we should turn all the criminals over to the doctors for medical treatment, or so that you could operate on their brains?"

"I admit that that is something like my idea," said the doctor.

"But what about laws of property?" asked Mr. Thompson.

"Why," said Professor Jansen, "on the scheme that Mr. Ilverson has outlined, all that would be settled by the calculating machines."

"Not quite," said Mr. Ilverson, "but I don't think we should need many laws, if certain fundamental principles were settled. The chief problem would be training the children in the right sort of habits. If you give everybody the

chance to get what he wants by a moderate amount of application there should be little trouble except with those mentally deficient or with unfortunate heredity."

"I see," said Mr. Edmunds, "that you are going to turn the lawyers either into teachers of the young or into physicians of the mind. Where do we parsons come in?"

"No doubt," said Mr. Ilverson, "there will always be need for preachers of truth and righteousness, and for those who adapt philosophy to the needs of the people. For the rest, we shall join you up with the new kind of lawyers and with the psychologists and mental physicians."

"That is to say," said Dr. Steinberg, "you agree with my plan for a Department of Humanity, or Human Culture."

"I think we all agree to that," said Professor Jansen, "and its business will be to relate human nature rightly to the mechanisms of our world."

The meeting then dispersed.

## Chapter 9. THE COUNCIL OF WAR.

Once again the Utopia Club met, but not on this occasion to add further decorations to their dream city but to discuss the possibility of turning their dreams into reality. Mr. Ilverson was in the chair and he began proposing that the members should first state, what was wrong with the present world, and what needed to be changed.

"I should say," said Mr. Edmunds, "that the first trouble is disorder. The energies of mankind are not properly co-ordinated, and a large part of the time people are working at cross-purposes. Most of our people are trying to do something of service to the public, but half their energy is wasted in mutual conflict. Our great business leaders are much in the position of the Chinese war-lords, who employ their soldiers fighting one another; and when business in their line is bad, they have to turn their troops loose to starve or else to take to banditry."

"You wish better order in our industrial system, then," said the chairman. "Do you propose, then, something like an industrial army of all the workers under a unified command?"

"No," said Mr. Edmunds, "for that would be the end of freedom. It would be likely to mean forced labour for everybody. We may need some increase of compulsion for lazy people, but if we can preserve the principle of the present system, by which people work voluntarily for the satisfaction of their own needs, it would be much better."

"In other words," said Professor Jansen, "our task is to harmonize individual freedom with the general welfare."

"I accept that," said Mr. Edmunds.

"What do you think," said Mr. Jones, "of the view of the Marxion socialists? — that the evolutionary process is necessarily leading us to socialism. They say that the inevitable result of competition is the triumph of the strongest combinations. In other words, the big fish will continue to eat up the little fishes till there is nothing left but big fish."

"The fish comparison isn't a good one," said the professor. "In the case of the fish, if there are no little fish left, the big fish starve. Let us keep to the economic ground. We all know that the big corporations have been growing bigger, and the socialists say, that by the time that process goes far enough, the state in self-protection will have to take them over, for it will be a case of either the government swallowing the corporations or the corporations swallowing the government."

"I note that the professor is getting back to biological comparisons too," said Dr. Steinberg, "for swallowing is just what fish do. But is it not the case that the big fish now are for the most part not the big industrial concerns but the banks, insurance companies, and trust companies. In other words, the tendency is towards a great pooling of money or capital."

"But," said Ethel, "is not that a movement towards Mr. Ilverson's idea? He proposed a great pool of all capital."

"Quite true," said the gentleman referred to, "but, tell me, now, what is the advantage of pooling capital?"

"Greater safety, I suppose," said John. People who invest in the big corporations, imagine that their money is safer than in the little ones."

"Very true," said Mr. Ilverson; "and that means that there is a great movement in the world towards pooling the wealth of all the people for the sake of greater security. We see that in the insurance companies, the trust companies, and the banks.

"This is one thing that the Marxian socialists have not taken account of enough. It is true that we have made far too many millionaires lately, but a large part of the money held by the big corporations belongs to great numbers of small investors."

"But in our ideal system," said Mrs. Edmunds, "I don't think we had any millionaires. All were small investors."

"How do millionaires get to be millionaires?" asked John. "Is it because they are such wonderful captains of industry that they have earned the money?"

"In a very few cases, that is, I think, true," said Mr. Ilverson, "but most of them have made their wealth in other ways."

"By watered stock, mostly," said Mr. Jones.

"Yes, that is unfortunately true. Clever promoters of companies induce the public to give them enormous sums to invest, and they contrive to get the most of it into their own pockets."

"If public officials did that with money entrusted to them, we would put them in jail," said Dr. Steinberg, "but under the capitalist system we make heroes of them."

"The workers don't make heroes of them," said Mr. Jones. "They are admired only by small fry business men, who would like to do the same thing themselves."

"But," asked Ethel, "is there any other way that millionaires are made except by stock-watering?"

"Yes, there is," said the professor. "It is the slow way of compound interest. Have you ever heard that one cent invested at six per cent, compounded half-yearly in the time of Christ, would by now have amounted to a mass of gold several thousand times the size of the earth?"

"Is that possible?" said Mr. Edmunds.

"Oh yes, that is only a matter of mathematics, and I believe the mathematicians have settled it. Of course, in practice there comes a stop to any indefinite increase simply because of shortage of investments. Also, some investments are sure to go bad."

"Still, you admit," said the doctor, "that great family fortunes can grow up in that way, while the members of these families perform no useful service and live luxuriously enough on only part of the income of their investments. Now it seems to me, that these great private fortunes are diseased growths on the social body. Like cancers, they tend to grow bigger and bigger, absorbing the nourishment that should go to the genuine working parts of the body."

"Possibly so," said the chairman, "but our problem is, how to organize society to prevent such growths."

"Well, would not public ownership of all capital and natural resources do that effectually?" said Mr. Jones.

"Probably, if it were properly managed," replied Mr. Ilverson. "But we were in our Utopia presenting the matter in a different way. Our capital was at the same time all public and all private. On the one side was the vast mass of all capital considered as a great pool. On the other side were the individual claims of all the people whose labour had contributed to its accumulation. By pooling it all they all shared alike in profits and losses, so the result was a universal insurance of capital."

"But," asked the doctor, "is it possible that all capital can bring interest?"

"In a static condition of society it cannot," said Mr. Ilverson. "All goods, whether in the form of food, clothing, houses, roads, tools, factories, depreciate with time, that is, get less in value. As a matter of fact, the tremendous number of failures and bankruptcies in all kinds of business is largely due to this fact. Where some people are getting interest, others are losing their capital.

"It would not be so bad, if the only things counted as capital were the tools used in industry; but in our world we have got so far away from our primitive state of free peasants that very few people own their own homes, and that practically everything, buildings, stocks of food and raw materials, roads, schools (until the mortgages are paid off), almost all things in the world, even to the land and natural resources, are expected to bring interest, that is, to increase in value with time. Of course, the whole thing is becoming impossible."

"How soon, then, shall we be able to abolish interest?" asked Mr. Jones.

"You can never abolish interest by prohibiting it," replied Mr. Ilverson. "What we are proposing to do is to insure our capital by continuing the present tendency of pooling of capital, thus reducing risk which is one of the causes of interest. Then, if we can, either by force or by persuasion, greatly increase the volume of capital goods, we may bring about a state of affairs, where interest becomes zero, or even negative. For, seeing that the natural tendency of all goods is to waste away or depreciate with time, it would seem hardly reasonable to expect our savings to increase in value."

"But, are you not forgetting the powers of nature, the growth of forests for example, which goes on while we sleep?" asked the professor.

"Quite true," replied the chairman, "but the natural growth of plants and animals is the great gift of nature, by which all things live. On our theory, that belongs to all. Interest is simply a payment made by some men, who have no property to others who have. That is the chief source of inequalities of wealth, and these inequalities have become harmful. The only possible preventive for this is to make sure that all have equal access to the natural resources and to the implements of industry. Our proposal is to make every citizen do a sufficient amount of labour to provide his share in the common stock. Then he will have no need to pay interest to anybody."

"I think," said Mr. Edmunds, "that we understand our aim. We want to make everybody both capitalist and worker at the same time, but how are we to get there? At present the capital is controlled by a small group of people, who won't give the rest of us a chance to work, unless it suits them."

"You mean," said Ethel, "that we are like the mice proposing to put a bell round the cat's neck. How are we going to bell the cat?"

"You forget," said Dr. Steinberg, "that we are in a free country with a democratic government. So long as we have that power we do not need to be content with a bell; we can put a rope round the creature's neck if we wish."

"True," said Professor Jansen, "but just one thing is lacking: we must be able to convince the people that our plan will work better than the present."

"How would you start on your programme of making

the capital public?" asked Mr. Jones. "Would you begin by buying up all the factories?"

"No, I think not," said Mr. Ilverson. "The peculiarity of the present capitalist arrangement is that a few big financiers are able to control enormous amounts of other people's capital, the savings of small investors. The small investors have really no control whatever over these savings of theirs, and are being exploited mercilessly."

"If it should be necessary to socialize wealth rapidly, the proper procedure would be for the government to take over these huge corporations as trustee on behalf of the public on one hand, and the stock and bond holders on the other."

"But what would you do with the millionaires?" asked John.

"I should say that while we were pooling the capital we should demand also a consolidation of all private claims against the capital. Then we might determine how great an amount of personal claims against the community any individual should be allowed to have."

"How much would you allow any one to have?" said Mr. Jones.

"Oh," said Mr. Ilverson, laughing, "that is a question we may leave to the future. We might allow the millionaires to erect monuments to themselves, as Carnegie and Rockefeller have done."

"Well, the Rockefeller Institute for medical research has been a very fine thing," said the doctor. "I sometimes wonder if the public will make as intelligent use of its wealth as has been done by some rich men."

"These are the exceptions," said Mr. Jones. "Most of them are just trying to keep up with those namesakes

of mine, the other Joneses, seeing which can make the biggest show."

"Still," said Mr. Edmunds, "if we make it the fashion for everybody to go to college, we may have a pretty intelligent public in time."

"But will pooling the capital and putting it under public trustees solve the unemployment problem?" asked John.

"Of course not," said Mr. Ilverson, "but it would put it in a form where it might be handled."

"What do you think are the chief causes of unemployment just now?" asked Mr. Thompson.

"That is easy," said Mr. Jones. "The capitalists are so greedy that they don't pay the workers enough to buy back what they have produced. If that goes on in every industry, the money piles up in the banks, but only a few people own it, and the masses cannot purchase the goods. Stocks pile up and the factories have to stop working."

"But you forget," said the chairman, "that most of the money that capitalists save they invest in some other industry to give work to more workers."

"Yes," replied the labour-unionist, "and look at what a mess they have made of it. In the United States they have built automobile factories capable of turning out eight or nine million cars a year, when they have never been able to sell much over a quarter of that. They have built shoe factories capable of turning out nine hundred million pairs of shoes a year, so that most of these have to be shut down a large part of the time. It is the same with almost every other industry you can name, except building houses for the common folks to live in. Then, to make the thing worse, the financiers have been inducing the people to put their savings into all sorts of new factories all over the world

to compete with those in their own countries."

"Perhaps," said the professor, "all this may be to the good. We are moving towards that great surplus of capital needed by our scheme."

"Yes," said Mr. Thompson, "and if we already have a tremendous excess of capital investment, will not that in itself tend to destroy the present system? It is not possible for all that unneeded capital to bring interest, and in the capitalist scheme that means that it becomes worthless. Its stocks and bonds fall to zero, and those, who have invested in it lose their money."

"Here, I think," said the chairman, "we are touching the heart of the matter. On the present system, no matter how much labour has been invested in anything, if it does not promise income in the near future, it at once becomes worthless. All our capital values, of farms or factories, or stocks or bonds are simply calculations of the income we may expect from them in a term of years in the very near future.

"On our scheme, all that is expected from investment of the public savings is the right of those in active life to the means of employing themselves, and the right of the old to their old age pensions. Our plan, therefore, could at least offer these unfortunate investors something—that is, a return of their savings at some future period, when they might need it."

"But is there not another thing wrong with our present system?" asked Dr. Steinberg. "Our economic ideas are based on a period of the past when there was little wealth and the accumulation of capital had to be encouraged vigorously. Now, with modern scientific inventions, we have the possibility of a world of universal surplus of cap-

ital and everything else. Is not our trouble due to the persistence of primitive business ideas in a new world where they are out of date?"

"Undoubtedly," said Mr. Ilverson, "our present system can only work where there is scarcity. If there is a surplus of workers, down go the wages, if a surplus of farm products, down go the prices of grain or dairy stuff. At present we seem to have a surplus of both goods and people. The advantage of a socialized system is that when there is a surplus of goods, the people can just take a holiday and still have full stomachs."

"What I cannot understand," said Mr. Edmunds, "is how we come to have a surplus of both goods and people. What is the cause of that?"

"The cause is in the financial system. A state socialist system could cure it at once. We are trying to devise a partly socialistic system that will remedy such a condition and yet leave us freedom.

"Let us see what we have settled so far. We have a vast scheme of public capital.

"To avoid a centralized bureaucracy, we suppose a system of economic areas within the nation, of city states within these, and of fraternity groupings and co-operative industries within these city states.

"There is an arrangement that each city state controls its own territory so long as it manages its business well and stays solvent. The city state may manage its industries and farms as municipal undertakings, or allow them to be developed by co-operative or fraternity groups.

"In the case of mines, forests, etc., some of these may be controlled by the national government for the benefit of the whole country. That might also be the case with

some of the larger heavy industries that must be centralized. Then each city state has the right, if necessary, to send so many of its workers to a great national automobile factory or building factory to earn the products it requires.

"In the case of ranching countries or the vast wheat producing areas of the West, where large settlement is not advisable, these might be made national farms, just as Egypt used to be the national farm of old Rome.

"So much for our ideal state. Then if the capitalist system should really crash suddenly, as some people think it will, we should just have to do as the governments of Europe did in war-time--have the state take hold of all the industries and co-ordinate them and allot the labour power to each according to its necessities."

"But, if capitalism manages to hold together," said Mr. Jones, "and just keeps on carrying us from boom to depression, and then another boom and another depression, what are we to do?"

"The only way that I can see, under these conditions," said the professor, "is for the government to strictly regulate the hours of labour. New inventions are perpetually reducing the amount of labour needed to supply the real necessities of life, and thus throwing more and more people into the ranks of the unemployed. This steadily depresses the wages of labour and its purchasing power. Let the government prohibit anyone from working more than five hours a day, and you will help to solve that problem."

"But what about trying out our city states on a small scale as refuges for the unemployed?" said Ethel.

"Yes, that is one thing we might try," said the chairman.

"Could we do anything towards altering our financial

system so as to prevent the booms and depressions," asked John.

"Yes, that also might be done; but we should have opposed to us a great many people, who enjoy the excitement of gambling and like booms, and other more calculating people, who reap a harvest in times of depression."

"I propose," said the professor, "that we devote a session to talking about finance and the gold standard, and other such questions."

To this all agreed, and the meeting broke up.

## Chapter 10.

### THE UTOPIA CLUB DISCUSSES THE GOLD STANDARD AND OTHER THINGS.

At this meeting, Professor Jansen was in the chair, as it was known that he had made a hobby of monetary theories. He started the discussion by asking a question.

"Tell me," said he, "where does value lie, in things or in our minds? For instance, we say that gold is valuable. What makes it valuable?"

"I should say," said Mrs. Edmunds, "that gold is valuable because it is pretty. It makes nice ornaments."

"Why is it, then, that we never see gold now? They dig it out of the mines at great cost and then hurry it off into the underground vaults of the banks and public treasures. That is, they take it out of one hole in the ground and put it in another."

"Early peoples," said Dr. Steinberg, "found that gold would not rust as other metals do, so they thought there was something wonderful about it, and the human race has never got away from that idea."

"Let me tell you a story," said the chairman. "In the island of Uap in the Carolines, there was once a fall of meteoric stones. The inhabitants regarded these as of miraculous nature and took them for their bases of value. Any family that possessed one of these lumps of rock was counted wealthy, and could go ahead and do business on the strength of it. Norman Angell, in his book, 'The Money Game,' comparing these islanders with ourselves, says — 'Stones were their fetish; gold is ours.' What do you say? — Is gold just a fetish?"

"The international bankers," said Mr. Ilverson, "find

it useful as a way of balancing accounts, and pass it around among themselves at times."

"Yes," said the professor, "and now they save the cost of passing it around by letting it stay where it is, and occasionally changing the label of ownership on chunks of it down in their vaults. But does not this look like the hocus-pocus of some priests of magic? We cannot eat gold, we cannot make clothes or houses of it, we hardly use it even for ornament any more. If people should stop believing gold to have value, what would happen to its value?"

"If people did not think gold valuable, I suppose," said Mrs. Edmunds, "that it would not be valuable."

"Precisely," said the professor, "value is a psychological thing. If people want a thing, they will give something in exchange for it, and the value of a thing is just what people will give for it."

"But, don't we need some standard or measure of value?" said Mr. Ilverson. "We have feet and inches, or metres and kilometres as measures of length, pounds and kilograms as measures of weight. We must have some measure to compare values with."

"Granted," said the professor, "but I want to point out that all these measures are arbitrary. Governments decide that a certain bar of metal shall be the standard of length, and so on. They also decide that a certain weight of gold shall be a dollar or a pound sterling. But the point I wish to make is, that the bar of metal that represents the French metre does not change. It will always be the same, and the length of objects, that are preserved from decay, will always remain the same in relation to it."

"On the other hand, value is something that depends on ever changing human desires and fancies. These fancies

keep shifting all the time. Even our desire for bread changes after we have had a full meal. It is quite evident, then, that it is pure nonsense to suppose that a certain number of grains of gold could be a definite measure of the longings of the human soul."

"Why not take a biological standard, then," said the doctor. "The average daily food requirements of a man are about three thousand calories. Suppose we take three thousand calories of food values for our standard."

"That would be fine for the mortgaged farmers," said Mr. Edmunds. "They could say to the mortgage companies — 'We are just now shipping you so many units of balanced ration in payment of the interest on your mortgage'."

"Still, bread alone, as you remember," said Mr. Ilverson, "is not sufficient for the needs of men. Why not take the average of a large number of things, such as are used in calculating the Index of prices, and get a standard that we can keep in constant relation to the Index? At present, as you know, the Index fluctuates enormously. We want to be able to keep it steady, so that the worker's dollar will always buy the same amount."

"I thought," said Mr. Jones, "that you said all standards must be arbitrary. If you won't take the doctor's standard of food values, what will you take?"

"We might take a certain normal day's wage for a worker, including food, clothing, houses, and a reasonable amount of luxuries."

"But that standard would vary with different countries," objected Mr. Jones. "A Chinaman keeps his family on ten cents a day."

"Yes, but the Chinaman's ten cents get his family both

food and clothing. Granted that he lives far more cheaply than we do, yet much of the difference is due to scarcity of money in China, because of our gold standard. There is no reason why the western world should not agree on a normal, decent standard of living as a standard of value; and set that up for the poorer nations to imitate."

"Let us suppose, then," said Mr. Ilverson, "that we can agree on some such standard based on a scientific estimate of the minimum needs for healthy bodies and civilized minds, how are we going to manage our banking system, so as to prevent booms and depressions?"

"First, let us consider the basis of our present banking system," replied the chairman. "It is supposed to be based in the first place on gold, which we agree is a fetish, its value being based solely on human fancies. Currencies are supposed to have a forty per cent gold reserve, but governments don't stick to that, they reduce or increase the currency according to their needs."

"That means," said the doctor, "that we are really on a managed standard with gold as a theoretical balance, which is only allowed to work part of the time."

"Precisely," said the professor, "but still it works enough to throw the whole system out of gear sometimes. But next to the gold, what is the second line of security that money is based on?"

"Government bonds, of course," said Mr. Ilverson.

"And government bonds are simply acknowledgments of the government's own debts," said the professor. "So we see our money is based, in the first place, on a fetish, gold, which is kept hidden out of sight in the vaults of the great central banks, and in the next place, it is based not on the wealth the country possesses, but on the amount the

government has borrowed from money lenders. Most of that money has gone up in the smoke of past wars."

"Still," said the doctor, "you told us that value is a psychological thing, based on people's opinions. So long as people believe gold and government bonds to be good security, they will be quite happy to take the money."

"Very true," answered the professor, "but we are looking for a way to prevent booms and depressions, and these things are due to psychological causes, to brain-storms of optimism and pessimism in the minds of the masses of the people. We have seen that the value of gold is caused by popular opinion and faith in government bonds depends on opinion. Is there no way of basing our finance not on opinion but on realities?"

"But," said Mr. Ilverson, "you are forgetting that bank credit depends on the whole volume of the industry of the country, and that is something real."

"I grant that the industry is something real, but your present system of bank credit is of such a nature that it blows up like a balloon in periods of optimism and collapses like the same balloon when pricked in times of depression."

"Well, tell us how you can bring bank-credit nearer to a basis on reality?"

"The first thing that seems to me necessary is to get a clearer separation between fluid wealth, that is, immediately consumable goods, and services, and various types of frozen wealth. We must stop the hoarding of money, for that blocks the whole industrial system, and we must get rid of what Professor Irving Fisher calls 'The Money Illusion', that is, the notion that money is something in itself and not merely tickets for goods or services."

"Would you adopt Edward Bellamy's plan, then, of abolishing money? In his Utopia ('Looking Backward'), the people were given credit cards, and on the basis of these, they could buy anything they wanted. The clerks would just check off the amount purchased on the card. Then if people did not use all their cards, they simply lost so much at the end of the year, for the cards were of no use next year."

"True, that would effectually stop hoarding, but we need not go so far as that. We might simply date the money and have it depreciate at the rate of, let us say, one per cent a month, or whatever rate might be necessary."

"But would you not allow people to save their money?" asked Ethel.

"Not in the form of money," replied the professor, for money is what keeps our industries going. Of course, you remember that on our ideal scheme there was compulsory saving of enough to insure the right to work, the right to a home, and so forth. But suppose a man wanted to save for a better house, or a trip round the world, or anything special of that sort, he must deposit it in a special class of saving for that purpose. It might be possible to allow him to do extra work to save up for some such purpose.

You all know the disastrous bank failures that have been so common lately in some countries. These all come from the confusion between fluid wealth and frozen wealth. Our money must mean nothing but immediately available goods and services, and our bank depositors will not have the right to call for money, if a panic should come. They will merely have the right to claim such goods and services as may be available."

"But," said John, "supposing I had started to save

money for a sailing yacht, and had deposited it in the bank for that purpose, it would, I suppose, go into the order list of the boat builders for future delivery."

"Yes, certainly," said the professor.

"But," persisted the young man, "if I changed my mind, and wanted a motor car instead, what would happen?"

"That would depend on the relative demand for sailing boats and motor cars; you might lose a little or gain a little."

"Let us grant, then, that you have solved the problem of making people spend their money, for otherwise they must see it gradually vanish. I do not see how you work it out from the side of the business man, whether he is an independent business man or a manager of one of our co-operatives. How do you arrange for credit on your scheme?"

"Let us begin," said the professor, "by dividing wealth into classes, present and future. Present wealth is the goods and services available right away, that is consumers' wealth. Future wealth is that which will give rise to the consumers' wealth of to-morrow and the day after. This we may call producer's wealth.

"Producers' wealth consists of stores of raw materials and machines, on the one side, and the working power of the people, on the other. These two things together, our old familiar labour and capital, make up the productive power of the community."

"Tell me, now, on what does the value of government bonds depend?"

"Faith on the productive power of the country, of course," said Mr. Ilverson.

"And you just told us that bank credit was based on the same thing, did you not?"

"Well, yes, practically so."

"Why, then, is the present banking business so dangerous? Why are there so many bank failures?"

"Because people get frightened and ask for money at a time when business has got blocked for want of people to buy its goods. We say the credits have got frozen."

"Then if money ceased to be something in itself, but the depositors in the bank could only ask for goods or services, that should help to get things going again, should it not?"

"Yes, it should help."

"Then, if, instead of paying depositors interest, we charge them interest, at, we shall say, a less rate than the depreciation of our currency, we should encourage them to invest their savings for longer periods, so that they could not in a panic all call for cash at once."

"That would undoubtedly reduce the risk very much."

"Very well, then, shall we say that the banker's business is simply to regulate the exchange between present wealth and future or deferred wealth. He issues tickets for present wealth, that is, goods or services, immediately available, and other tickets which are credits, based on faith in the future productive power. These latter tickets should go to labour and capital jointly in their co-operative groups. The one kind of tickets or money is consumers' tickets, the other kind is made up of credits or producers' tickets. Of course, all consumers' tickets as soon as used go to wiping out the debts of the producers. So our banks become merely registers of the movement of the wheel of wealth."

"But what about interest? Are you getting rid of that?"

"If we attain our period of universal surplus, the tendency will be to punish people for saving rather than to reward them. Of what service is it to society for me to economise by not eating my Christmas turkey, if that just leaves the turkey to spoil in the merchant's shop?

"Of course, there will always be the cost of running the bank to be paid, but if most of the bank's dealings are with large and stable co-operative groups, the cost of banking may be reduced to a minimum."

"But what will you do, if the population should get too large? You might get back to a period of scarcity again."

"If we are going to allow our population to get to be like the swarming masses of India and China, we might as well stop dreaming of better worlds. If the human race permits itself to increase recklessly like the brutes, it must suffer the fate of the brutes, but we shall hope for better things."

## Chapter 11. CITIES OF REFUGE.

“What do you think of the ‘Back to the Farm’ movement as a remedy for unemployment?” asked the clergyman.

“Any intelligent farmer would tell you that it is rot,” said Mr. Jones. “At a time when experienced farmers with full equipment and good land are losing money, they propose to send crowds of city people, with no capital and no experience, to try to make their living on the land.

“Just lately, agricultural experts have told us, that there are six and a half million farm families in the United States, and that if agriculture were scientifically organized, one million could produce as much as the six and a half million. Most of these farm families are without enough capital, many of them on poor land, and too ignorant to farm properly. Their labour is mostly sweated pauper labour of whole families, working without proper equipment. They produce little and therefore can purchase little, which is one reason why our factories are idle. Why drive more people out of the cities to add to the mass of people, living in slum conditions in the country?”

“Granted,” said Mr. Iverson, “that the crude ‘Back to the Farm’ movement is merely a confession of failure of our economic system, still we may not be able to transform the system for a few years yet. Can we not put this scheme on a different basis?”

“I think we can,” said Professor Jansen. “Let us picture first the primitive community that grew its own food, made its own homes, its own clothes, tanned its leather, and made its shoes and harness. That community

lived close to the soil and was independent. It traded its surpluses for the few things it needed from outside.

"Why can we not establish similar communities for the unemployed? In the Pacific Coast cities recently they have developed co-operative exchanges, where the people exchange their goods and services without money, but by using some kind of labour checks, and these seem to have worked out pretty well.

"We do not need to go back to primitive methods. There is any amount of capital lying idle, that could be got at low rates of interest, if it were guaranteed by the government. Let us buy up a lot of machinery that is lying idle, especially some of the out-of-date machinery, that the capitalist system sends to the junk-pile. Let us set the people to work building new towns in suitable situations, where they can raise their own food and raw materials. Then set the people to work to build their own homes and their own factories. Let them borrow as little as possible and accumulate their own capital on the system we have proposed. Let the community have its own money, labour checks, or whatever it may be, and deal with the outside world only as a unit, exchanging its surpluses for the things it requires."

"Will you pay union wages?" asked Mr. Jones.

"In our new world," said Mr. Ilverson, "we must get away from that old fight between labour and capital. In the old world the holders of capital had privileges as against those with no capital, the learned professions had privileges against the unlearned, the skilled trades against the unskilled labourers. But these inequalities have had much to do with our troubles. How could a two-dollar-a-day labourer afford to live in a house built by a ten-dollar-a-day

carpenter? How could the ten-dollar-a-day carpenter afford the services of a two-hundred-dollar-a-day surgeon? We must try to make all our labourers skilled, and we must have enough skilled surgeons, so that the people can get service at reasonable costs.

"I agree to moderate rewards to superior skill, but the trade union fight for specially high rates to favoured groups of workers, while others are hungry and can get no work, will get us nowhere. The line of attack we propose is that of abolition of special privileges by making *all* capitalists, and giving everybody the chance to acquire skill.

"Our colonists in these cities of refuge, we propose, must acquire a new point of view. They must think first of the success of their city and only in a secondary way of wages. They must save first to become owners of their homes and their factories and the stock and implements on their farms.

"Their pleasures should, as far as possible, be social pleasures. At little cost they can have beautiful trees and gardens about their homes. They should think first of a good community centre with auditorium, reading room and library, and of a good school, before they try to build their own homes too expensively. Then they should plan for games, and public entertainments that they can provide themselves. They should wish to pay off the money they have borrowed, that it may go to establishing new industries and new homes for others. Thus they become their own capitalists."

"Still, you would allow the better workmen to get better pay?" said the doctor.

"Oh, certainly," said Mr. Ilverson. "Even in Russia they have had to resort to piece work. We cannot get away

from the individual side of things altogether."

"What about the ownership of the land?" asked John.

"On our system that must be national. We shall use Henry George's Single Tax as an equalizer of advantages between different areas. Some will have better land than others. But our community scheme will help us to keep out of debt and enable us to make our own improvements.

"On the old system, if a municipality wanted to build a road, it borrowed the money, paying fairly high interest. That meant that they paid for the road twice over in principal and interest, and before it was all paid for, the road was worn out, and the thing had to be done all over again."

"But if the present day farmers won't make their own roads unless they are paid for the work they do, are you sure you can get the inhabitants of your communities to do it?" asked Mrs. Edmunds.

"We might to a certain extent depend on popular enthusiasm. We might have road-making or park-improving picnics, with music and so forth. Still I should not advise depending too much on that. I suspect we shall still have to depend on capitalist methods to some extent — either tax the labour by only paying part of the wage and crediting the workers with the balance in communal stock, or else charge rent for the houses, at a rate that will liquidate their cost in a term of years. In the house rent, too, you would have to include taxes for civic improvements, just as at present. But under our plan these taxes, although forced contributions, could actually be counted to the credit of the workers. After a certain number of years they would acquire a permanent right to home accomodation of a certain value."

"Is there anything to hinder our present cities from adopting this means of meeting unemployment?" asked Dr. Steinberg.

"The advantage of the colony scheme is that it takes the unneeded labour right off the market, gives it employment at supporting itself, and creating its own homes and capital, and does not clutter up the general market by adding to the already present surplus of unsold goods. You could make your colony part of a general scheme of similar colonies, producing different kinds of goods and exchanging among themselves.

"Our present cities could, of course, start similar schemes of public co-operative factories for the unemployed, but I suspect they would be more difficult to handle. The temptations to spend money near a city are too great. Our plan is meant for people who seek security and independence, and are willing to work and save in a co-operative way."

"How would you start your colonies? Would you manage your business democratically? Would the workers elect their own foremen?" asked John.

"I doubt if that would ever work," said Mr. Ilverson. "We could have colonies started by governments or by semi-philanthropic groups who are willing to lend their money at low rates of interest, and who would at first appoint the managers themselves. Later, when the workers have learned how to carry on the enterprise successfully, they could organize like our proposed city states, which could then take over the management."

"I move," said Ethel, "that we appoint a committee to raise funds for starting such a colony."

All present seconded the motion.

## Chapter 12. CONCLUSION.

The dreary winter was over and spring had come once more. The strike and its accompanying sufferings were now memories of the past. Our hero and heroine had returned to the free air of the country again, resolved like many a hero of the past, to found a new city, brighter and more beautiful than any that had gone before. They did not attempt their social experiments with their bare hands alone. A number of friends had been interested and a considerable sum of money raised to test the new theories. A considerable area of land had been purchased in a location suitable both for farming and manufacture.

There was to be little of a communistic nature in the undertaking. Mr. Ilverson insisted that everybody and everything ought to pay its own way in the world, and that if the new methods were sound, they ought to be able to meet the old in fair competition. The first object of this new departure was to test the possibility of combining the advantages of the city with those of the country for the sake of the improved health and happiness of the people. In addition they wished to try the experiment of so training the younger workers as to make their labor interchangeable and further the whole settlement was to be a centre of education in the principles of co-operation.

John Williams had been appointed superintendent of mechanical industries and Mr. Ilverson himself had become so far interested as to join the colony and act as its president. A few specially skilled workers were secured to act as heads of the different agricultural and industrial departments.

The property was put in the hands of a board of trustees to be held for use in assisting social and industrial experiments. This board was to represent the controlling and regulating power of the ideal socialist state. At first the board was to have the power of appointing the managers of departments, but later as the members of the community accumulated a capital of their own in the enterprise it was expected that the management would speedily become quite democratic.

John and Ethel had tried to induce Dr. Steinberg and Mr. Edmunds to join them, but both these gentlemen declared that they could not leave their people in the city at that time. However others were found to fill their places and Ethel had the satisfaction of getting a fair beginning made in the fraternity methods proposed before the Utopia Club. She herself was President of the Women's Council which busied itself with the problems of reorganizing feminine industry.

And now our young people decided that the time had come when they should unite their lives by closer bonds. As they walked together one evening John said to his companion: "Perhaps, dear, I have been lacking in courage hitherto in refusing to let you trust your life to my keeping, but it was for you that I feared, not for myself. Now I feel safe in asking you."

"Are you quite sure then as to the success of this experiment of ours?"

"I cannot tell you that as yet, but even though we should fail a hundred times, we have still the cause to work for and that will make us strong."

"That is true," replied the girl, "I do not think we can ever again feel homeless in the world as we once did,

for it is all ours, the people and all."

"It is for you then to name the day, dear, and please, let it be soon."

"Let us first find out when we can have our friends from the city with us. I want them all here."

So a month later in the bright long days of June a wedding party gathered under the trees, whose spreading branches seemed like the arches of a great cathedral above their heads; for such were the first churches of mankind and perchance they are still the noblest and best. There their friend Mr. Edmunds joined theirs hands and sweet singers celebrated the event with fitting music.

Afterwards there were tables spread and the company gathered round and feasted merrily. Last of all came the words of congratulation and encouragement from their tried and trusted friends. Mr. Ilverson rose first and proposed the health of the bride.

"Dear Comrades and Friends," he said, "in offering the toast of the happiness and prosperity of the much loved lady, who sits before me, I feel something like an ancient worshipper offering a liberation to the genius of the place. It is largely owing to her enthusiasm that this industrial experiment has been attempted, and I must say that I have never found such pleasure even in my most successful enterprizes in the past, as I feel at the beginning of this still untried experiment. Heretofore business has been little but cold blooded mechanism, devised apparently for purely selfish ends. The world has been ruled by the machine idea and man has been valued simply as a machine. In the future the machinery of the world will be even more perfect than it has been in the past, but the men and women will be no longer slaves of the machines they have made.

I am sure my young friends will understand, if I confess to a slight feeling of envy as I look on them. We speak of the morning of life as youth and the evening as old age, but I feel somehow as with a great company of others rich and poor alike I had toiled through the night watches, and must shortly go to my rest grudgingly in the splendid dawn of a nobler day. Yet I feel that even then my spirit will still be with you, perhaps mingling in some strange way with yours and looking out even through your eyes at the glories of the times to come. In conclusion, my dear youth and maiden, I wish you God speed."

Ethel whispered to her husband and he asked the minister to reply.

"Dear Friends," said Mr. Edmunds, "the hearts of our young people are too full for utterance, but our aged comrade may feel assured, that while he remains in the flesh, he will always be an honored guest, and even his spirit will surely be a kindly ghost and the thought of its presence with us need bring us no alarms.

"I, too, feel that I must give a word of parting counsel to these young voyagers on untravelled economic seas. Socialism in my eyes has one fault and that is its tendency to materialism. To seek to make men good is a higher ambition than to make men rich. I do not despise the progress of our civilization but it is well to remember that while we eat with knives and forks, the Master dipped His hand with His disciples in the common dish and yet I think that in spite of seeming poverty His life was a richer life than ours.

We despise the luxurious rich because of the hateful way in which they flaunt their wealth in our faces. We say that their gorgeous palaces and sumptuous banquets

are a shameful waste of the products of the workers' toil, but what better are we ourselves if we follow their example in the mad race for luxury. Material wealth is of no significance except as it helps us to develop noble character. The highest riches of all are the riches of the mind and spirit which we can give away to everyone who comes and ourselves be none the poorer.

"Your ambition is to give to each human spirit the possibility of the highest development of which it is capable and this is well. But if you will be guided by me, you will make your appeal to the higher part of human nature rather than the lower. The ideal city of God can never be built on a foundation of selfishness and greed."

Mr. Jones, the labor unionist, now rose and spoke.

"It gives me pleasure to listen to a sermon from a man like Mr. Edmunds, because I know he is not a mere tool of the rich employed trying to drug the workers into unconsciousness with pious soothing syrup. But the truth is, we have been sickened by sentimental cant about unselfishness and benevolence till we almost loathe the words. When we see unselfishness in life and act, we are still ready, not only to believe in it but to love it.

"I will grant that selfishness amongst our workers is a serious danger to future progress. There is a risk of the formation of selfish castes of aristocrats in our unions, satisfied so long as they can obtain good wages in their own trade and caring nothing for those outside.

"There is a tendency in modern socialism to identify the capitalist with the devil of the theologians. But this is a mistake. The capitalist is only a man like ourselves acting as we would probably do in his place.

"But the centre of the moral attack of socialism on

the present system is, that the system encourages selfishness and punishes unselfishness at every turn. The employer who gouges his workers accumulates more wealth and is thereby enabled to crush in competition the employer who tries to be generous. The man who unloads worthless stocks on the widows and orphans of the community acquires capital, which he uses to crush his more honorable competitors.

"In practice we often see professors of religion living more selfish lives than many an atheist or unbeliever. Is it any wonder that we have lost faith in the power of religious beliefs to influence men's characters and have come to think with those scientists, who hold that man is in the long run nothing but the product of his surroundings.

"Still in spite of all I do not think that the workers are altogether unwilling to come back to the Christian fold. Christ himself they reverence, and if Christians would only quit talking about unselfishness and set about practicing it, there would be a revival of religion sure enough. But I don't want our parson to think I am reflecting on him. My judgment is, that he stands the test pretty well.

"And now that I have relieved my feelings on this point I wish to add my good wishes to those of the rest of the company on behalf of the happy pair I see before me. I trust that they may be able to help in bringing in the longed for time, when no one will have either the opportunity or the wish to live by preying on his fellows."

"Thank you, Mr. Jones," said Ethel, "and now we want to hear from the Doctor, but he needn't congratulate us, unless he wishes to."

"My dear young lady," said Dr. Steinberg, "I certainly wish to congratulate you, but I hardly know whether

you have got married to John here or to the cause of socialism. Indeed I have almost a suspicion that I am witness of a case of bigamy.

"Yet we may draw a moral from this. The brides of the church in former times were to be separate from the world and all its entanglements, masculine and otherwise. But the brides of the new social religion are expected to enter into the world's life and purify and ennable it.

"As the speeches that have preceeded mine, have taken a theological turn, I may be pardoned for expressing a favorite idea of my own. In the past we have had religions of the intellect whose votaries gloried in theological disputes. We have had religions of the emotions whose worshippers found satisfaction in pious ecstacies and excitement. The coming religion will take possession of the other great aspect of the mind. It will be a religion of the will, whose worship will take form in the going forth of the life in the manifold activities of social service.

"Of such nature will be the religion of the people gathered here and to you and all like you I give my blessing along with the devout wish that you may be fruitful and multiply and replenish the earth."

"Now, Thompson," said the Doctor as he sat down, "it's your turn."

The lawyer arose and added his congratulations to the general fund.

"I recognize," said he, "in the wedded pair before me as in this new community, which is rising here, the promise of a nobler and truer life for humanity. Speaking as a representative of the law I give you my heartfelt advice to keep away from it and to settle your differences peaceably among yourselves. The law is the crystalization of the

opinions of the past and has little sympathy with the aspirations of the future. You have done well according to my judgment in beginning your enterprise on a somewhat capitalistic basis conforming as closely as possible to present legal requirements. The structure of the future society must develop gradually by natural processes from the structures of the past. As I understand it, you are trying to work out the constitution of a typical cell of the ideal social structure. At the same time you will not cease to work for the general scheme of social re-organization. As the life of the cells of the body depends on the proper working of the nerves and blood vessels of the body, so it is with the local communities in the state.

"As yet all experiments in socialism have to be carried out in an unwholesome climate. Everywhere the atmosphere is saturated with the spirit of greed and commercialism. You will find your own members infected with these evil influences. It will take a long time to purify human nature from its disposition to graft. From the time of the bandit chiefs with whom civilization began to the bandits, financiers, and speculators of the present day the ambition of mankind has been to live on the labors of others. This deep taint of original sin will not be eradicated in a day.

"None the less with all my heart do I bid you go forward. The spirit of an age yet unborn is beckoning to you. The vision of the City of God has appeared to you. May that vision keep you and all of us true and faithful to our purpose."

After the speaker had resumed his seat the company were very silent for a little while. Finally the professor rose and spoke.

"I am glad that our legal friend has used that great

word the City of God. But our City of God is not made up purely of love and benevolence and philanthropy and sentimentalism. It contains also equal parts of justice and truth. We are not like the Buddhists, whose heaven consists in an eternal repose. More life and fuller is our aspiration. If we seek freedom from the bondage of the material struggle it is that we may strive the more mightily in the world of thought.

There are two great ideals that float ever before the minds of men, the ideal of order and the ideal of freedom. The anarchists would call them authority and liberty, the philosophers unity and diversity. The biologists use the still more formidable names of integration and differentiation. In the body there are many parts each specialized for a different purpose; that is differentiation. Yet they are all bound together by a common plan, which enables them to act as a whole; that is integration. Our problem in the construction of the social body is to give freedom to the parts to differentiate in their own way and yet to secure that all shall act together for the common benefit. So we may see in the agencies of government the organs of integration; in the trades and professions the organs of intellectual differentiation, in the families, the churches and the fraternal societies the organs of spiritual differentiation.

"Socialists must repel the accusation that they wish to bring all the world to a dead level of uniformity. Uniformity means always and everywhere stagnation and death. In the great Catholic Church of all humanity we must have freedom with its diversity of gifts and we must have order and strength in the unity of the spirit of social service.

"And now I shall wish my young friends not riches or ease or luxury, but the joy of work shared together in

a noble cause."

With this the party rose from the table and as they separated, the Doctor asked Ethel where they were going for their wedding tour.

"We are going home," the young lady replied. "Wedding tours are a relic of the time, when husbands used to knock their brides on the head with a club and run off with them to escape the vengeance of their relatives. John didn't need to knock me on the head and there are no angry relatives chasing us, so why should we run away?"

"I don't want to run away," said the young man, "for my loves and hopes are all here already."

"May good angels attend you then," said the Doctor. "Farewell."

The End.





